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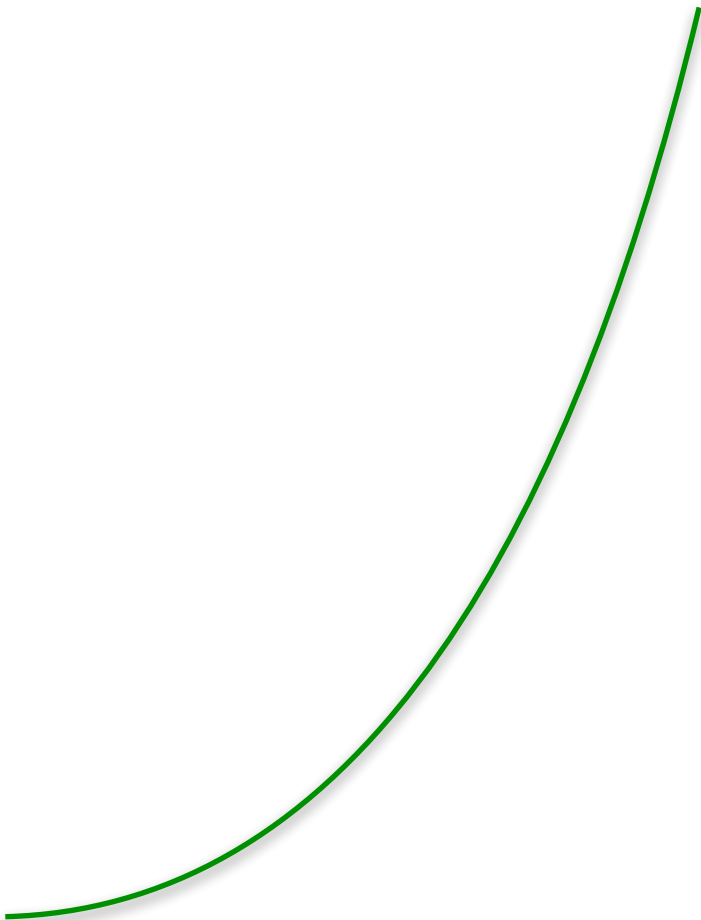
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q_{mc}

MC



MR

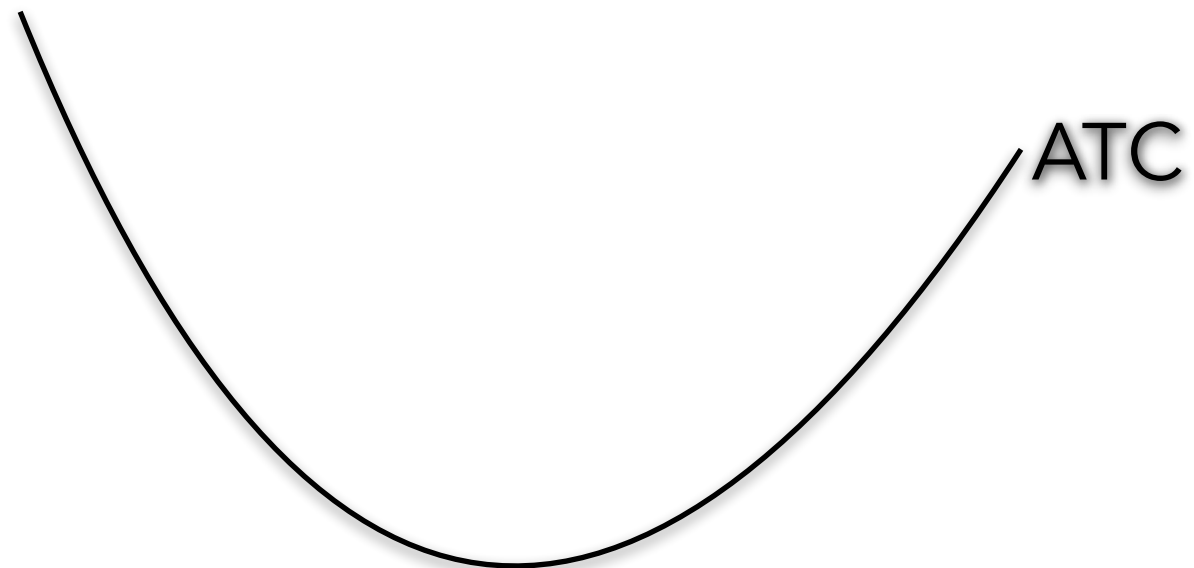
MC



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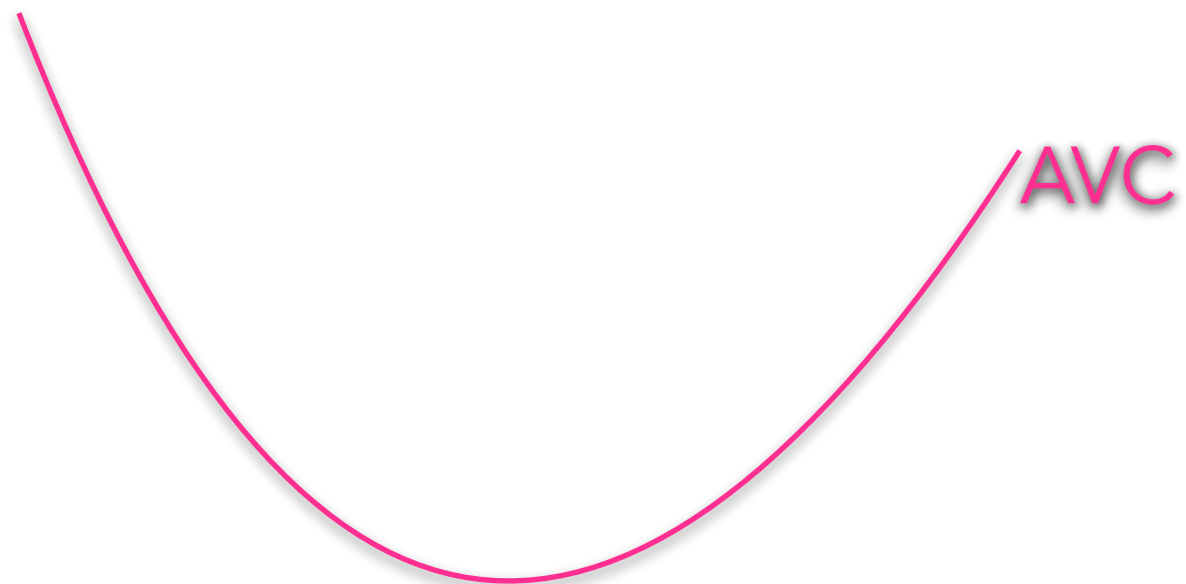






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q_{mc}

ATC



AVC



> FC

The firm should exit in the long run

Like in **Perfect Competition** and **Monopoly** if $P < AVC < ATC$ firms incur a loss larger than the fixed cost

The firm should shut down in the short run

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