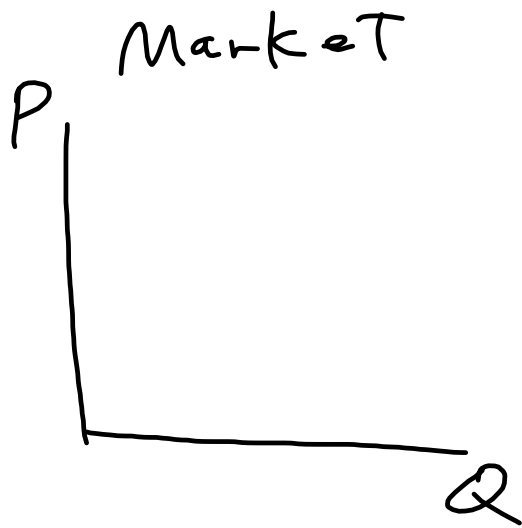
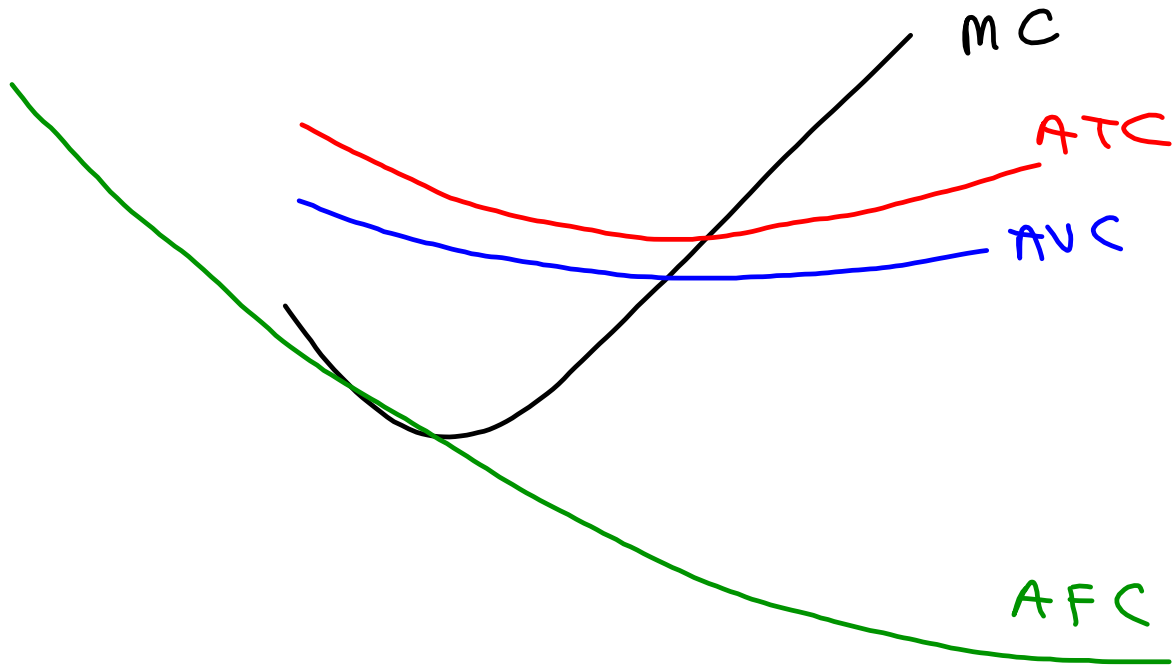
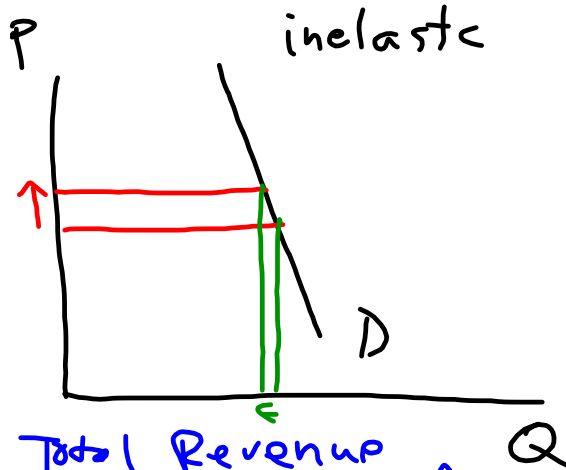


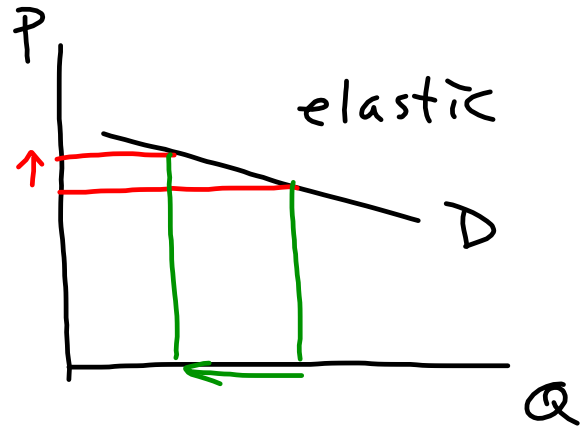
Firm Costs :  
do MC before AVC, ATC



#4, #29

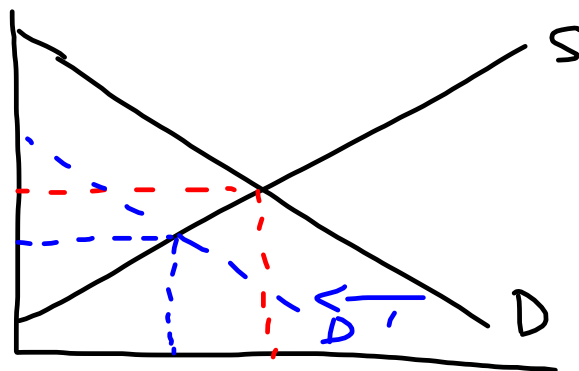


Total Revenue to Producer ↑  
Total Expenditure Consumers ↑



Total Revenue to Producer ↓  
Total Expenditure Consumer ↓

#17 Demand ↓



progressive :

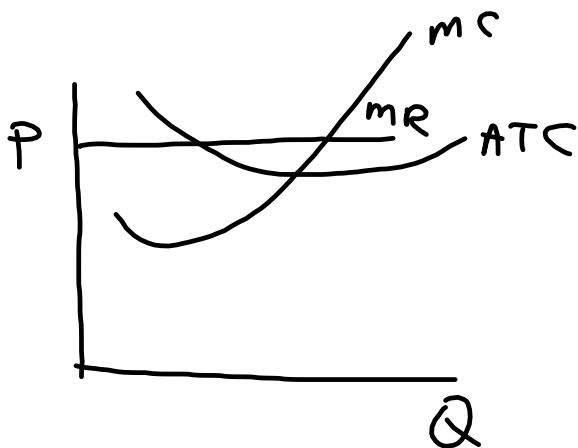
income  $\uparrow$  rate  $\uparrow$

regressive :

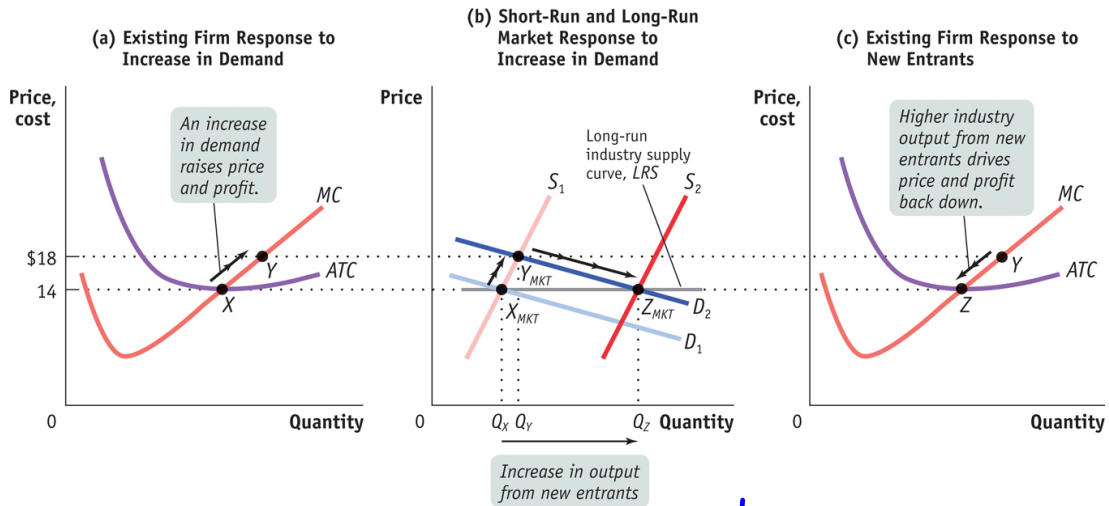
income  $\uparrow$  rate  $\downarrow$

flat rate: income  $\uparrow$  or  $\downarrow$   
same rate

Topic: Long-run industry  
supply curves.



Firms enter  
market,  
 $P \downarrow$



Price back to \$14 -  
 "constant cost industry"

Decreasing cost industry:  
 as industry gets larger,  
 costs get lower  
 (o.g. batteries in  
 electric cars)

Increasing cost industry:  
 as industry gets larger,  
 costs get higher  
 (inputs become scarce)