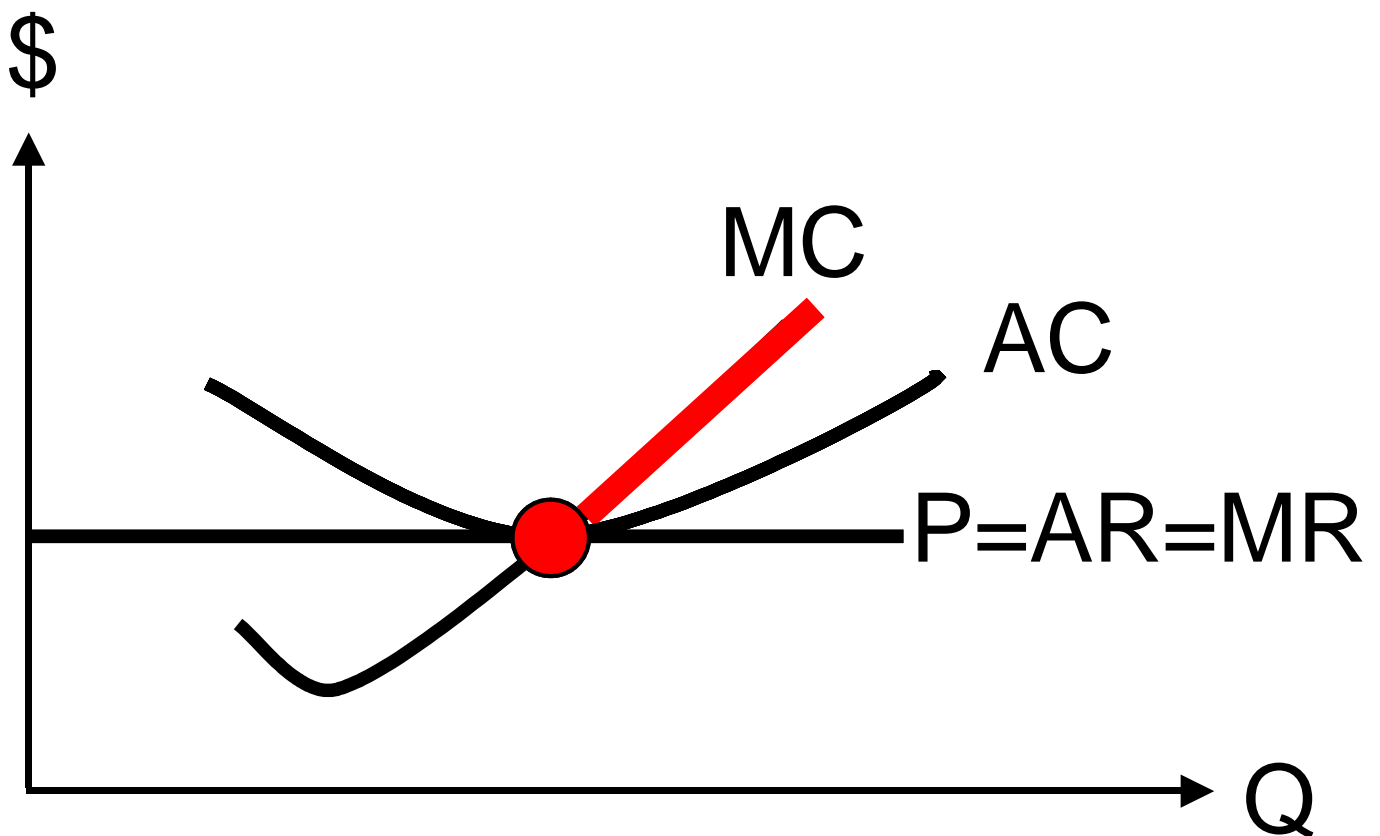


Competitive firm (long-run)

- The competitive firm is a price-taker: Price is given.
- All costs are variable.
- $P = AC$; if not, exit or entry.
A normal profit is part of AC.
- **Long-run equilibrium**



Long-run supply curve