

Figure 6-1: Cost curves for $C(q)=10+5q^2$

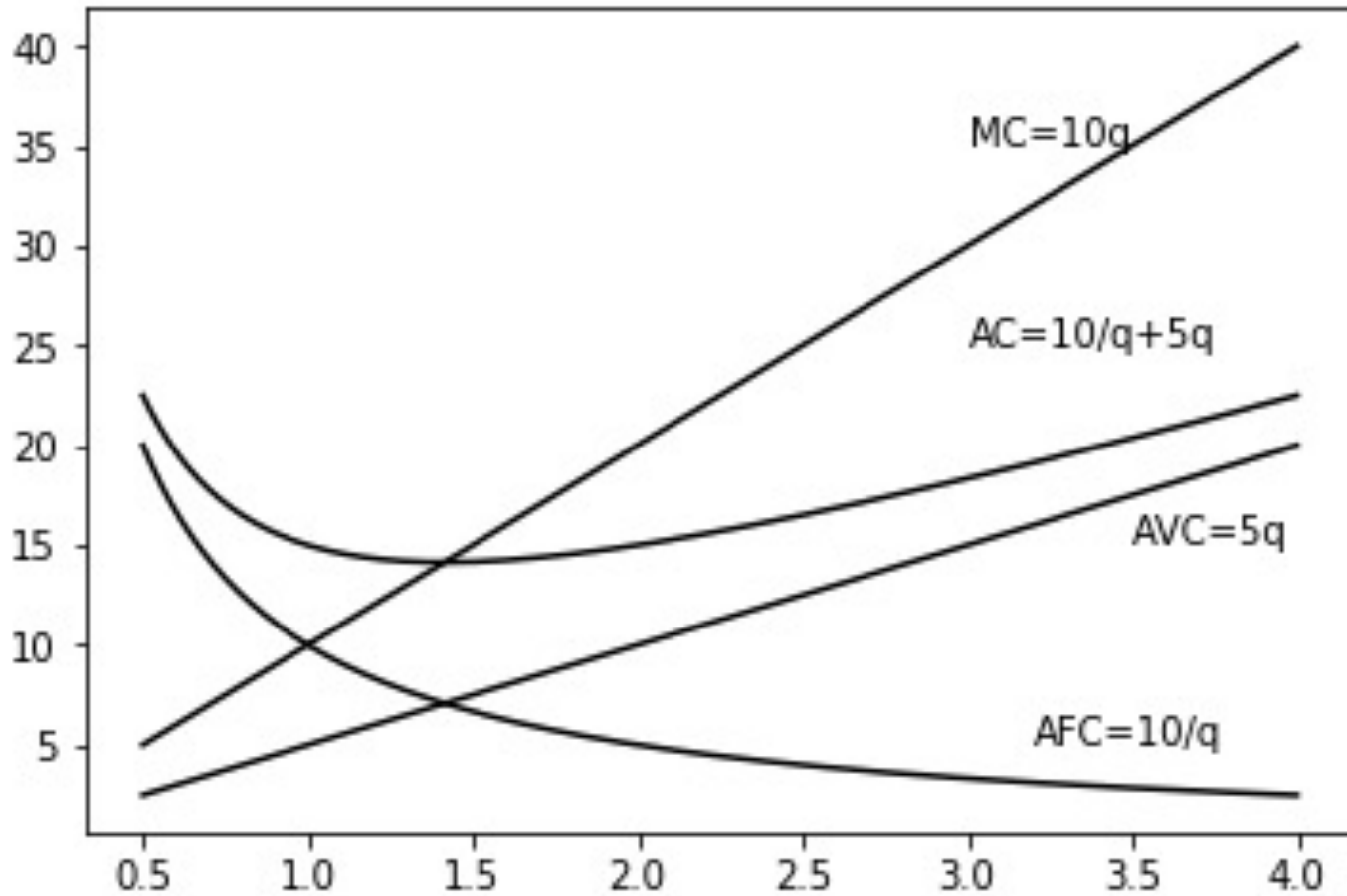


Figure 6-2: LRAC as envelope of SRAC

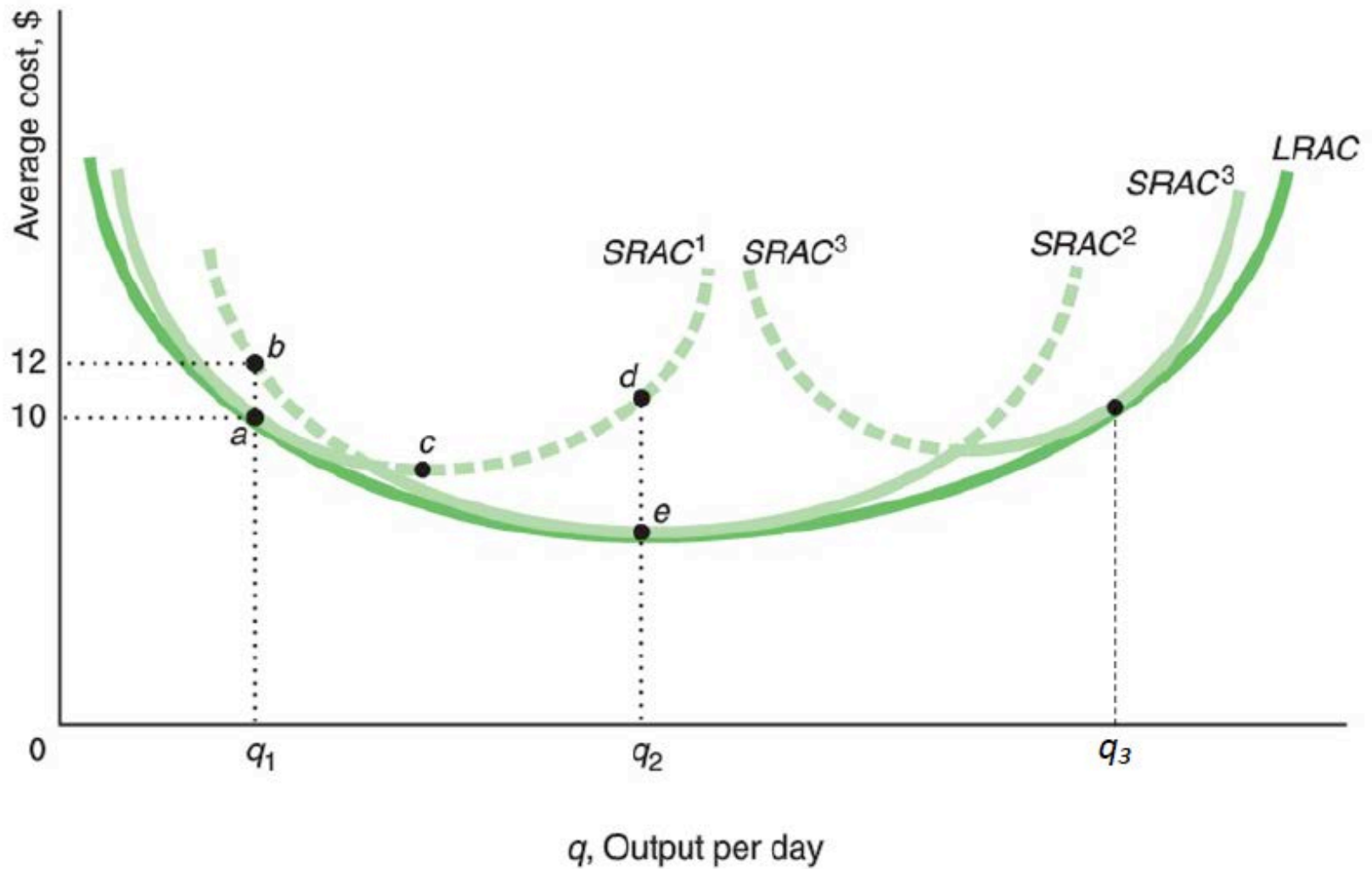


Figure 6-3: Isocost Lines

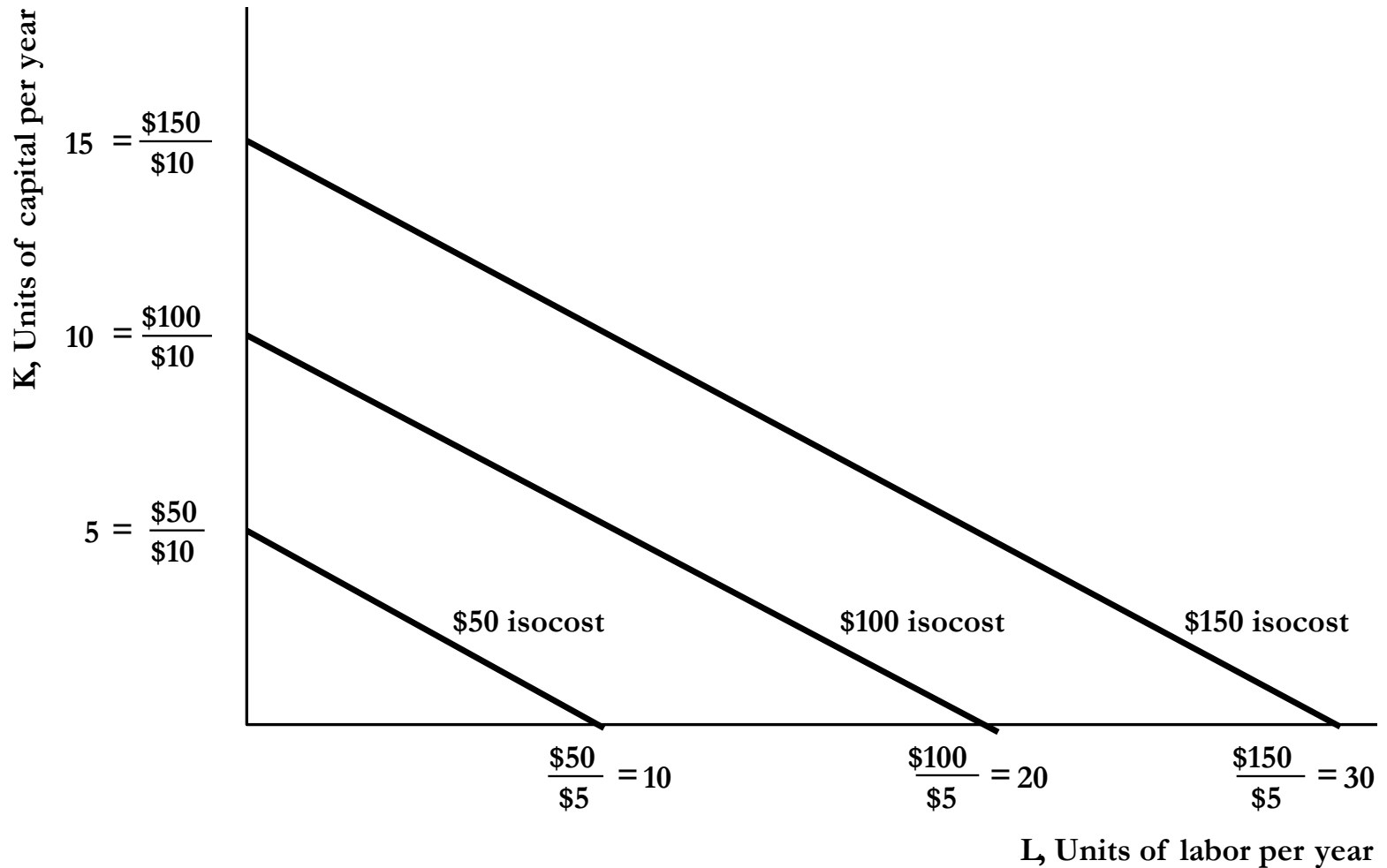


Figure 6-4: Cost Minimization

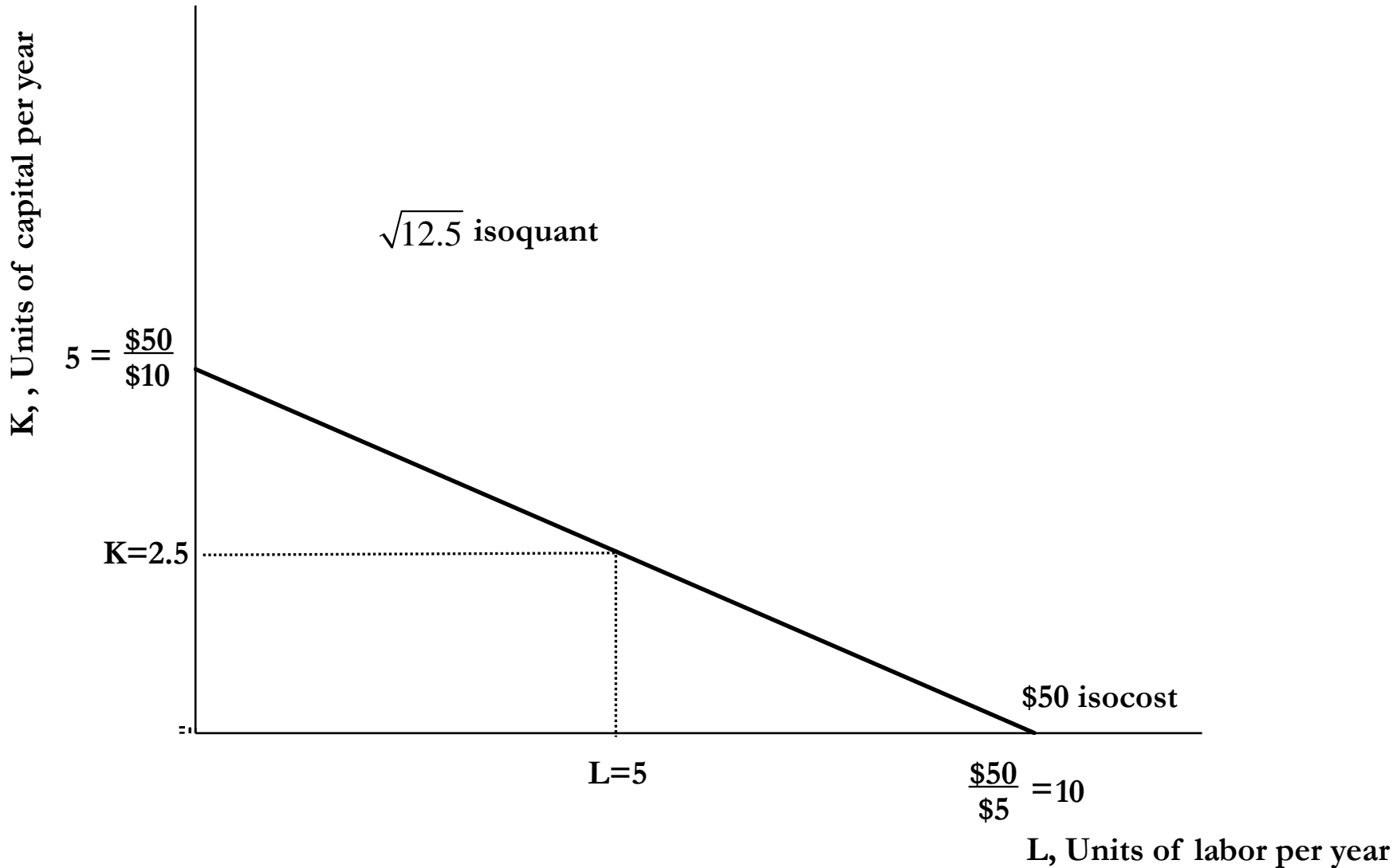


Figure 6-5a: Long-run expansion path (linear)

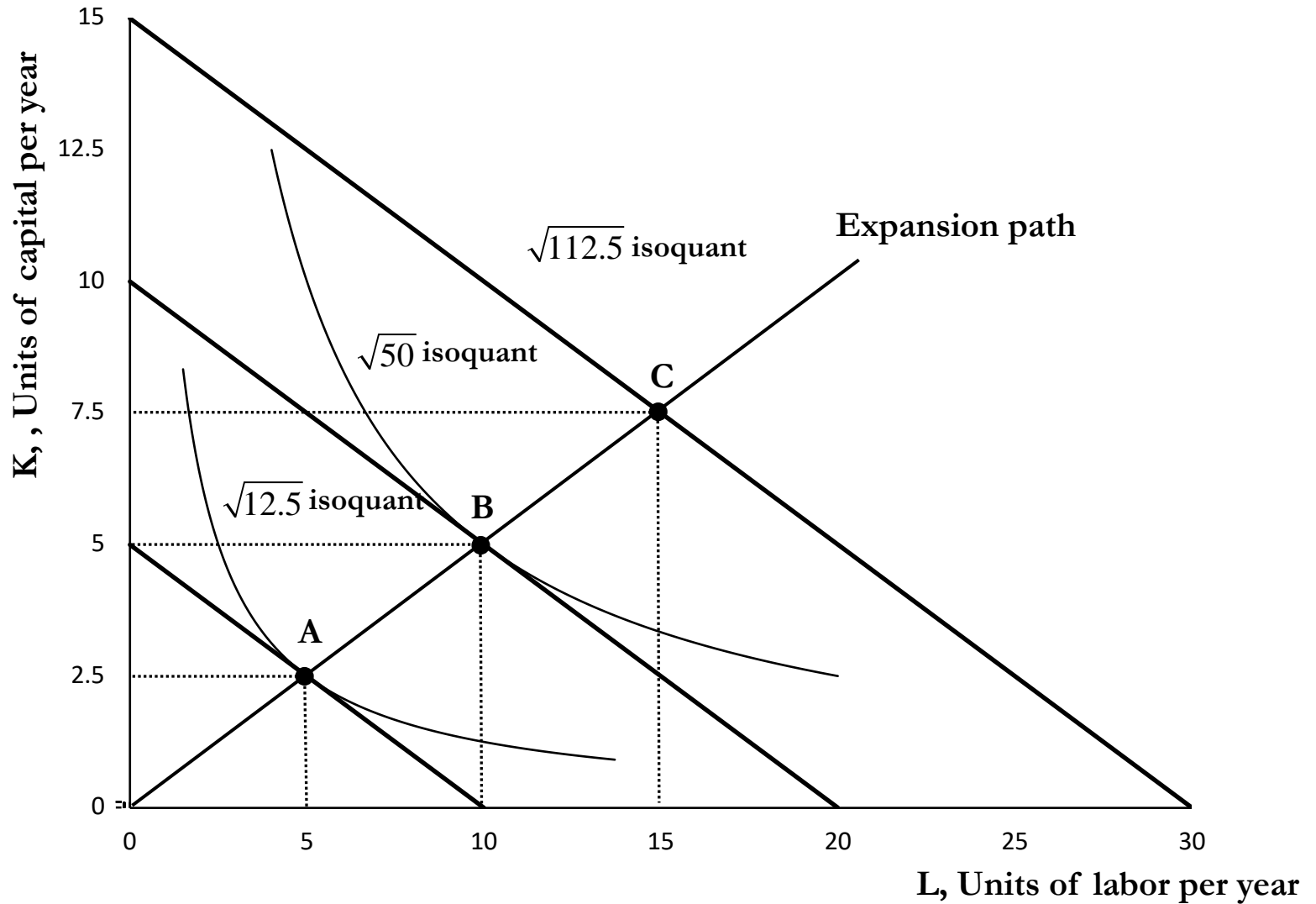


Figure 6-5b: Long-run expansion path
(capital becomes less productive)

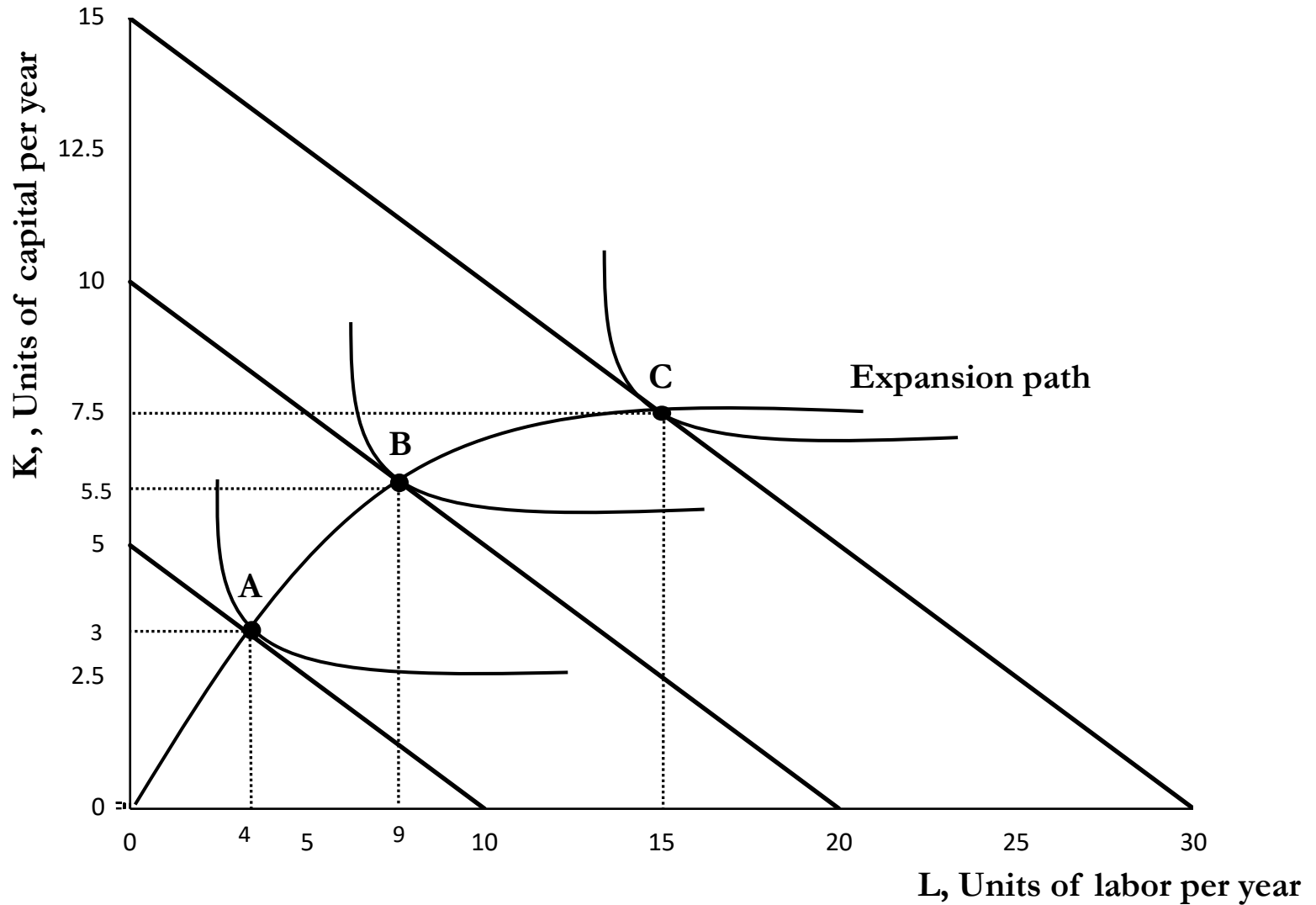
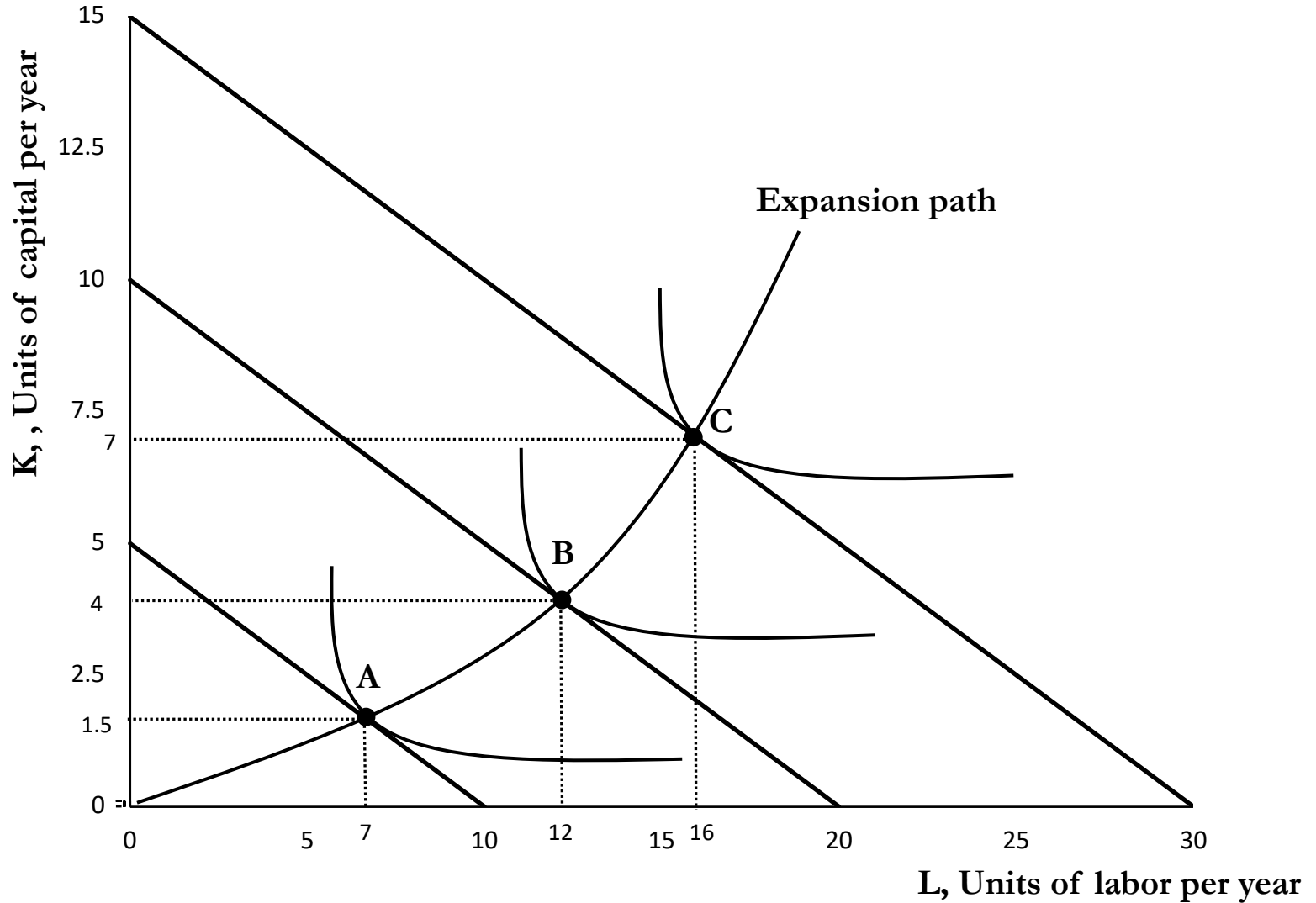


Figure 6-5c: Long-run expansion path
(labor becomes less productive)



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