



[Summary]

Cost: Short run & Long run

Subject:	Business Economics
Course:	B.A., 1st Semester, Undergraduate
Paper No. & Title:	Paper – 101 Microeconomics - I
Unit No. & Title:	Unit – 4 Cost
Lecture No. & Title:	Lecture – 1 Cost: Short run & Long run

Summary

The theory of cost is useful to managers and producers in finding answers to many problems relating to cost and cost output relationships. Here in this chapter we have discussed various cost concepts, especially opportunity cost, accounting cost and economic cost. We have also discussed the concepts of short and long run costs. Shapes of both short and long run curves are discussed here. We come to know the distinction between economies and diseconomies of scale. Firms equilibrium and short and long run supply functions are also explained briefly.