15. Effect of a Change in the Output Price on the Model of the Firm  
(Input Prices Held Fixed)

Long Run:

1. No change in isoquant-isocost tangencies, the long-run expansion path, or long-run cost curves.
2. Changes in the revenue curves – in particular, in the marginal revenue curve.
3. Change in the intersection of the long-run marginal cost curve and the marginal revenue line, and hence in the profit-maximizing output.
4. Change in the isoquant relating to the profit-maximizing output.
5. Change in the intersection of the long-run expansion path and the isoquant relating to the profit-maximizing output, and hence a change in the profit-maximizing quantities of labor and capital inputs.

Short Run:

1. No change in the short-run expansion path because the quantity of capital input is fixed. No change in the short-run cost curves.
2. Changes in the revenue curves – in particular, in the marginal revenue curve.
3. Change in the intersection of the short-run marginal cost curve and the marginal revenue line, and hence in the profit-maximizing output.
4. Change in the isoquant relating to the profit-maximizing output.
5. Change in the intersection of the isoquant relating to the profit-maximizing output and the short-run expansion path, and hence a change in the profit-maximizing quantity of labor input.