

Quantity of capital goods, k

k_i

k_h

k_j

$c_1^{H'}$

l_h

l_i

$$\text{trs}^B(l, k) > \text{trs}^A(l, k)$$

$$\frac{x_l^B}{x_k^B} > \frac{x_l^A}{x_k^A}$$

along the ray $\frac{k}{l}$

Capital-intensive
Technology A
 $x^A(l, k) = \bar{x}$

Labor-intensive
Technology B
 $x^B(l, k) = \bar{x}$

$c_1^{L'}$

Hours of labor, l

