1. Notes
   1. Economies of Scale
      1. A firm increases its production by example 2.0x but you get 2.5x worth of output. It reduces average cost. Main source might be specialization.
   2. Constant Returns to Scale
      1. In this case if you double your input your output would double. Expansion in this case doesn’t get you any economy of scale
   3. Diseconomies of Scale
      1. In this case if you double your input your output <2x. Bureaucracy is a main reason why output declines. Simple decisions require 2-3 levels of management to get approval.
2. Competitions
   1. Perfect / Pure Competition
      1. Large # of firms
      2. Standardized Product
      3. Price Takers
      4. No significant barriers
      5. Example: Wheat, soy bean, corn, etc
   2. Monopolistic Competition
      1. Cont. later
   3. Oligopoly
      1. Cont. later
   4. Pure Monopoly
      1. Cont. later
3. Profit
   1. Profit maximization
   2. TR-TC
   3. MR=MC
      1. The firm will produce a good until the marginal revenue is equal to the marginal cost($0 profit)