Total Product

K		1	2	3	4	5	6
	6	346	490	600	692	775	
	5	316	448	548	632		775
	4	282	400	490		632	692
	3	245	346		490	632	600
	2	200		346	400	448	490
	1	**141**	200	245	282	316	346
		1	2	3	4	5	6

L

Decreasing Returns to Scale

1

1

2

3

3

4

141x1.8

141x2

141x3

141x4

141x5

Less than Double Output

Less than triple Output

Decreasing Returns to Scale

Total Product

		1	2	3	4	5	6
	6	346	490	600	692	775	141x5
	5	316	448	548	632	141x4	775
K	4	282	400	490	141x3	632	692
	3	245	346	141x2	Less than triple Output		
	2	200	141x1.8	Less than Double Output			
	1	**141**	200	245	282	316	346
		1	2	3	4	5	6
				L			

To survive in the industry a firm must produce at the lowest possible cost

SRATC₁ SRATC₂ SRATC₃ SRATC₄ SRATC₅ SRATC₆ SRATC₇ LRATC