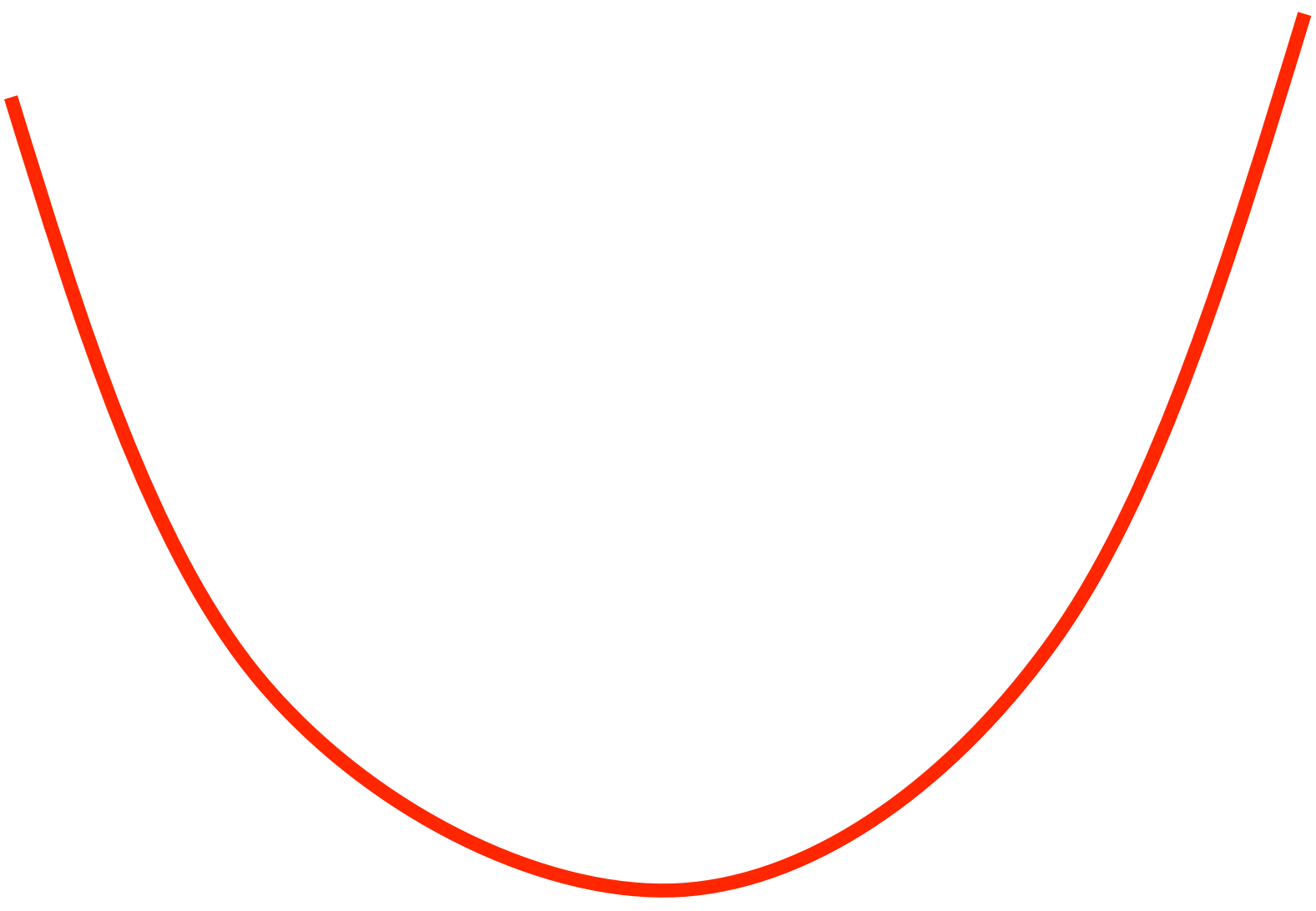
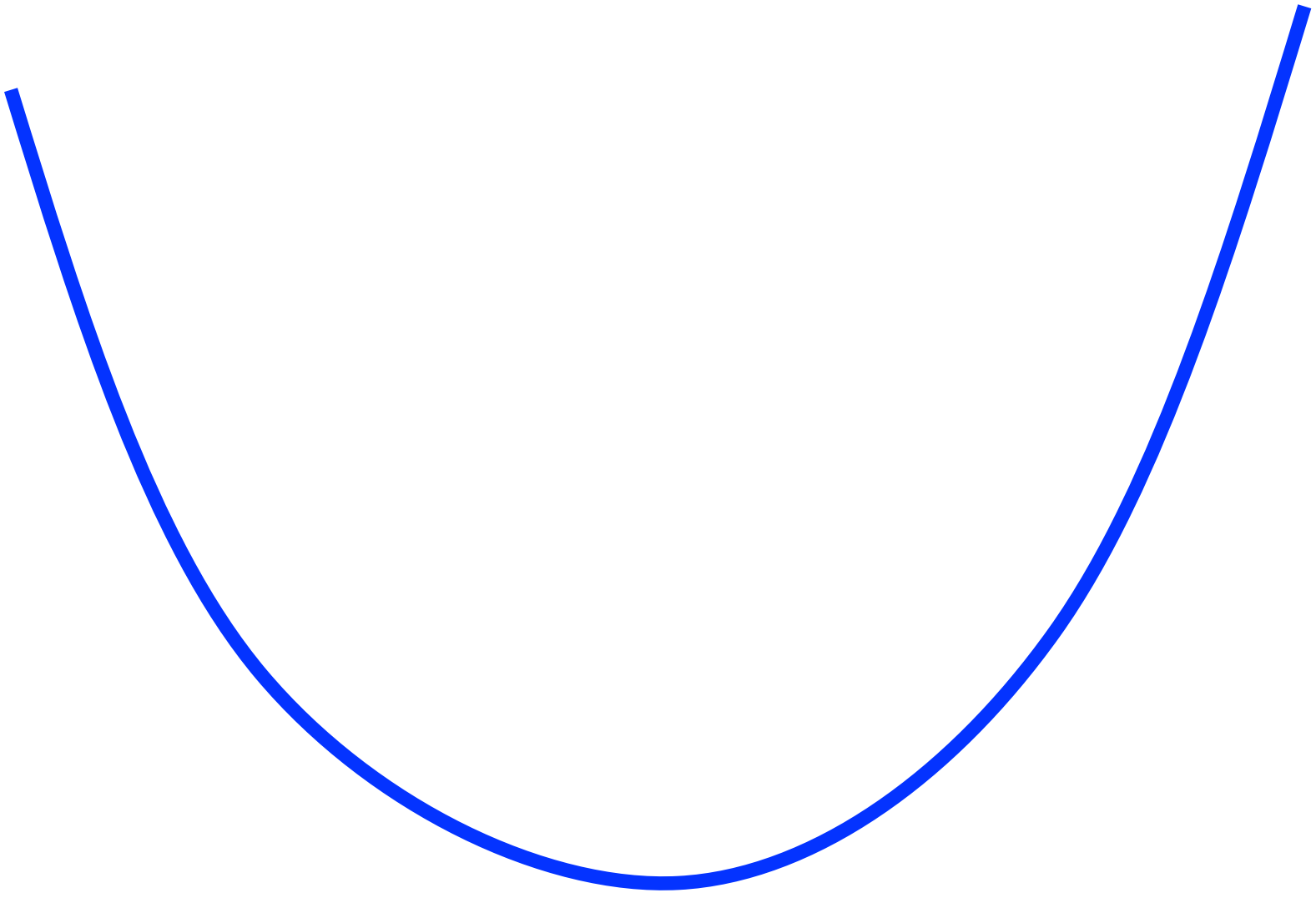
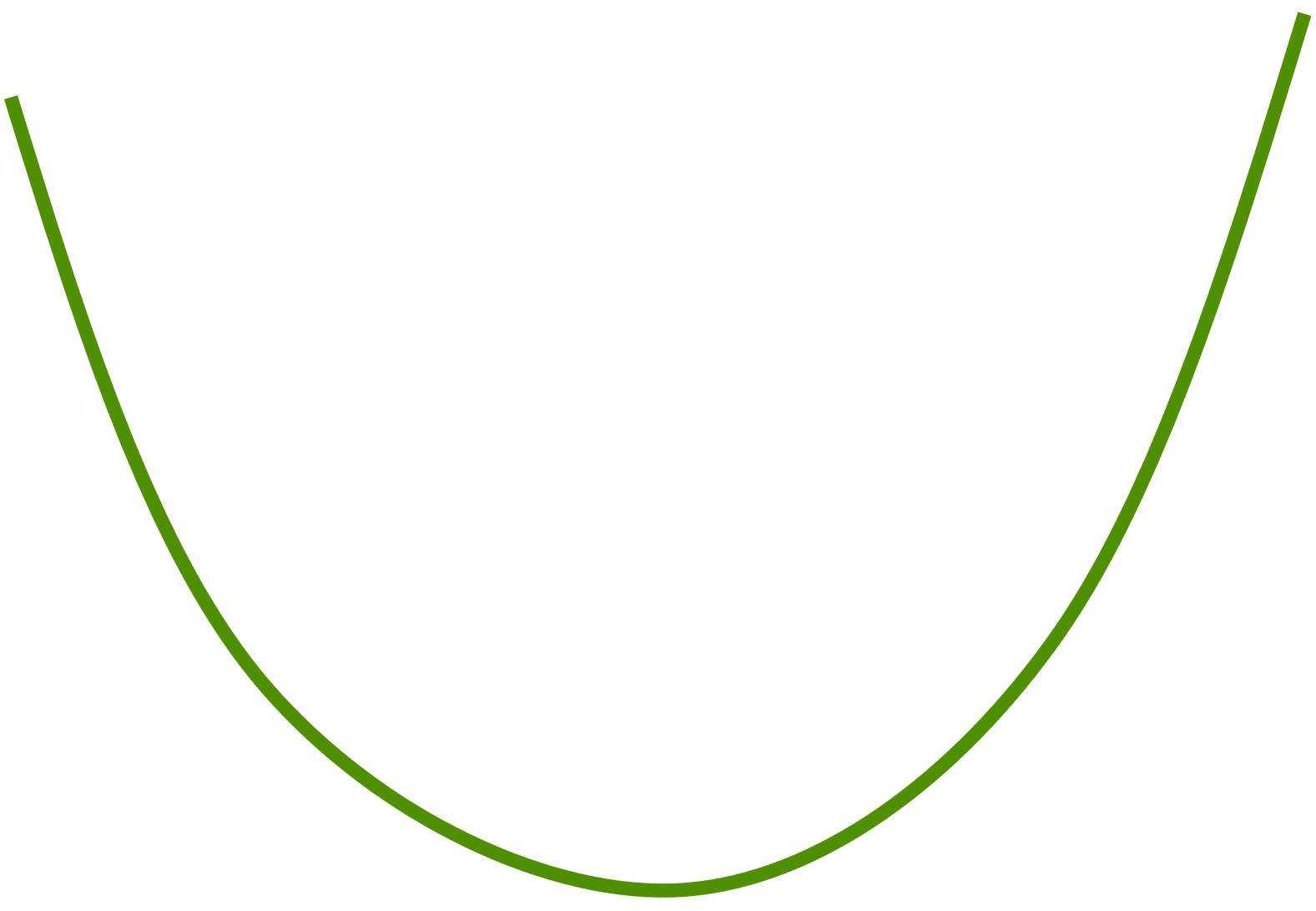
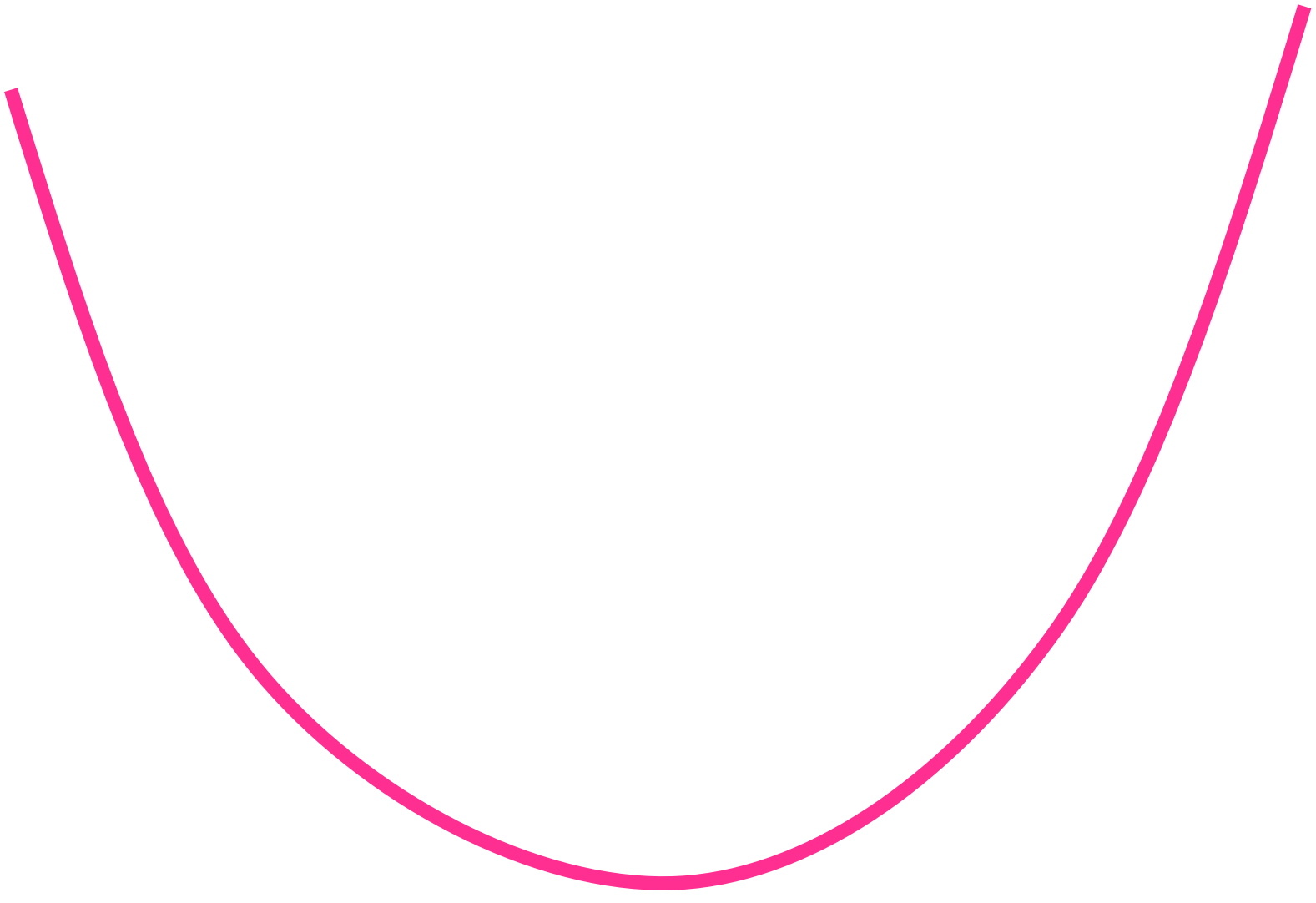
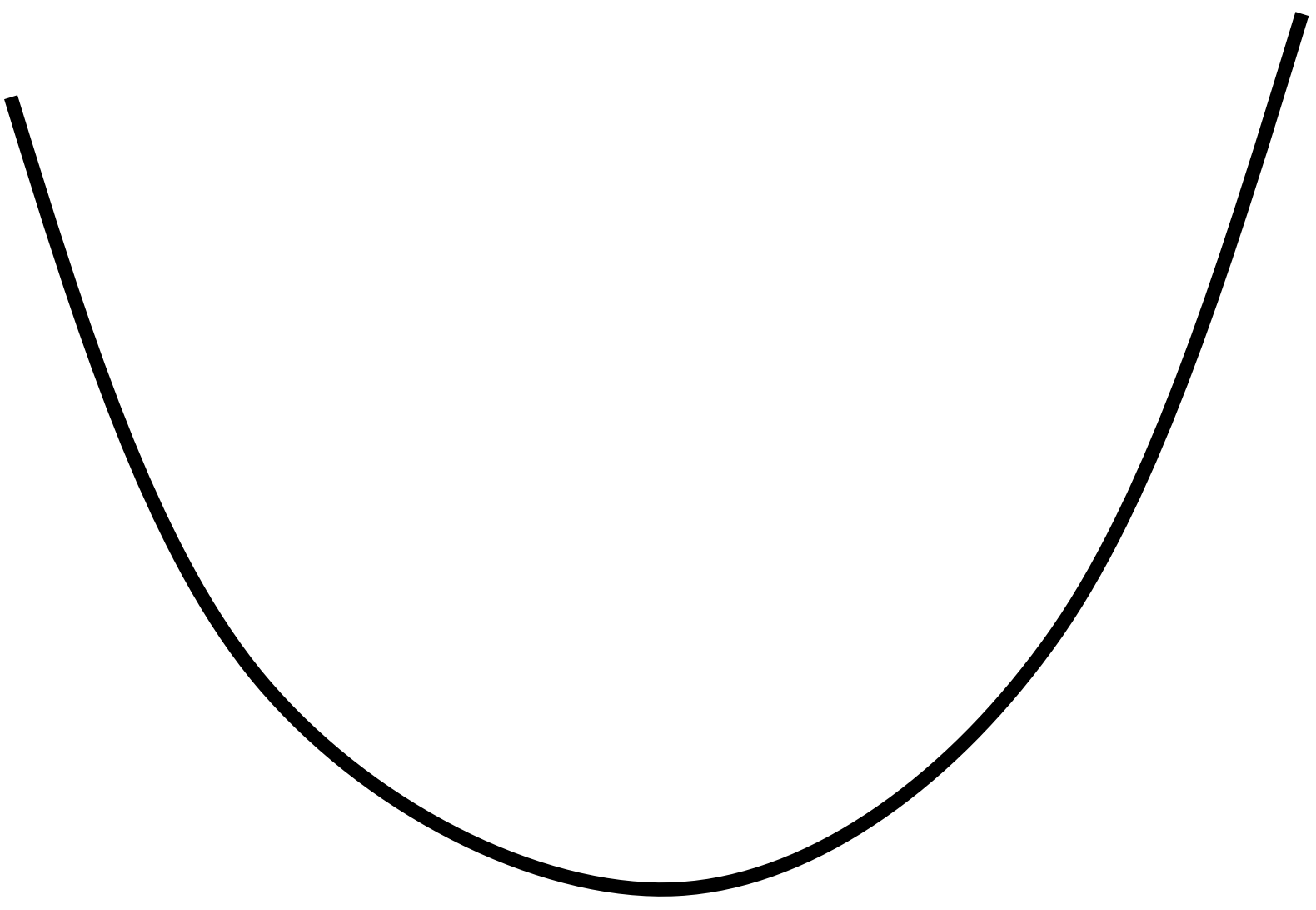
Constant Returns to Scale







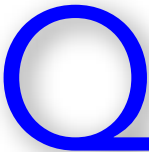




LRATC is Horizontal

As the plant size increase ATC remains the same

ATC



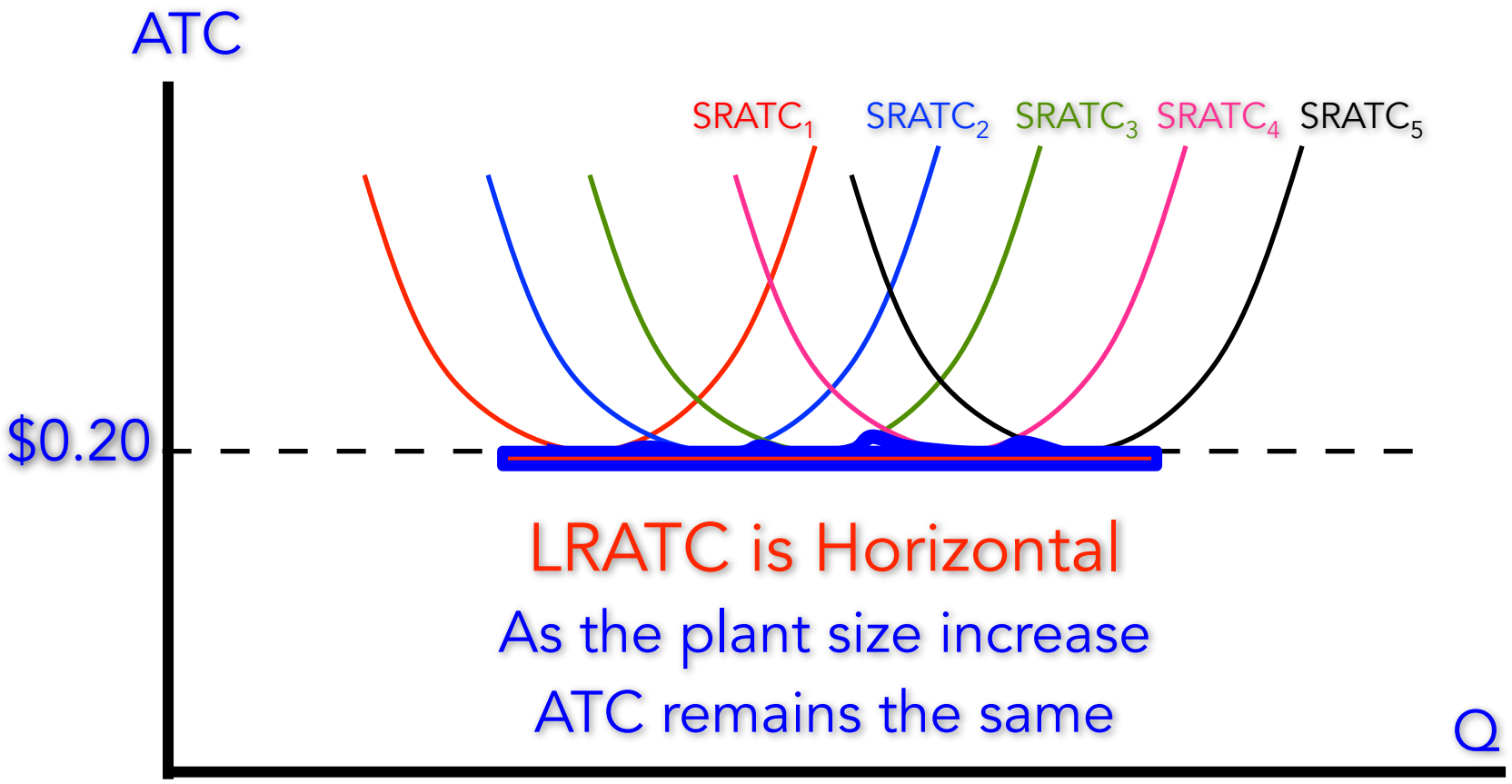
$0.20

SRATC1

SRATC2

SRATC3

SRATC4

SRATC5

Constant Returns to Scale