

Total Product

	6	346	490	600	692	775	141x7
	5	316	448	548	632	141x6	775
K	4	282	400	490	141x5	632	692
	3	245	346	141x4	490	632	600
	2	200	141x3	346	400	448	490
	1	141	200	245	282	316	346
		1	2	3	4	5	6
				L			





Double Inputs

Triple Inputs

Increasing Returns to Scale

4

4









Moving to a Larger Plant allows the
use of better technology

Four times more Output

Triple Output

Moving to a Larger Plant allows the use of better technology

Total Product

	6	346	490	600	692	775	141x7
	5	316	448	548	632	141x6	775
K	4	282	400	490	141x5	632	692
	3	245	346	141x4	Four times more Output		
	2	200	141x3	Triple Output		448	490
	1	141	200	245	282	316	346
		1	2	3	4	5	6
				L			

Increasing Returns to Scale

Already using best technology

Total Product

	6	346	490	600	692	775	
	5	316	448	548	632		775
K	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			