

600	692	980	1200	1384	1550	1692
500	632	896	1096	1264	1410	1550
400	564	800	980	1128	1264	1384
300	490	692	846	980	1096	1200
200	400	564	692	800	896	980
100	282	400	490	564	632	692
	100	200	300	400	500	600





Double Inputs





Triple Inputs





Constant Returns to Scale

4





4





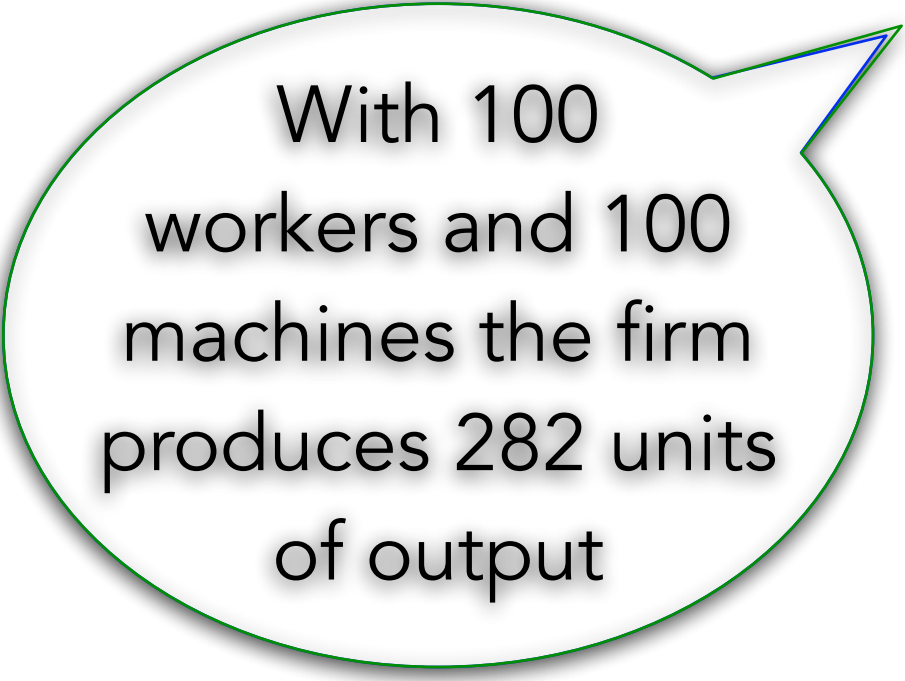
500

500

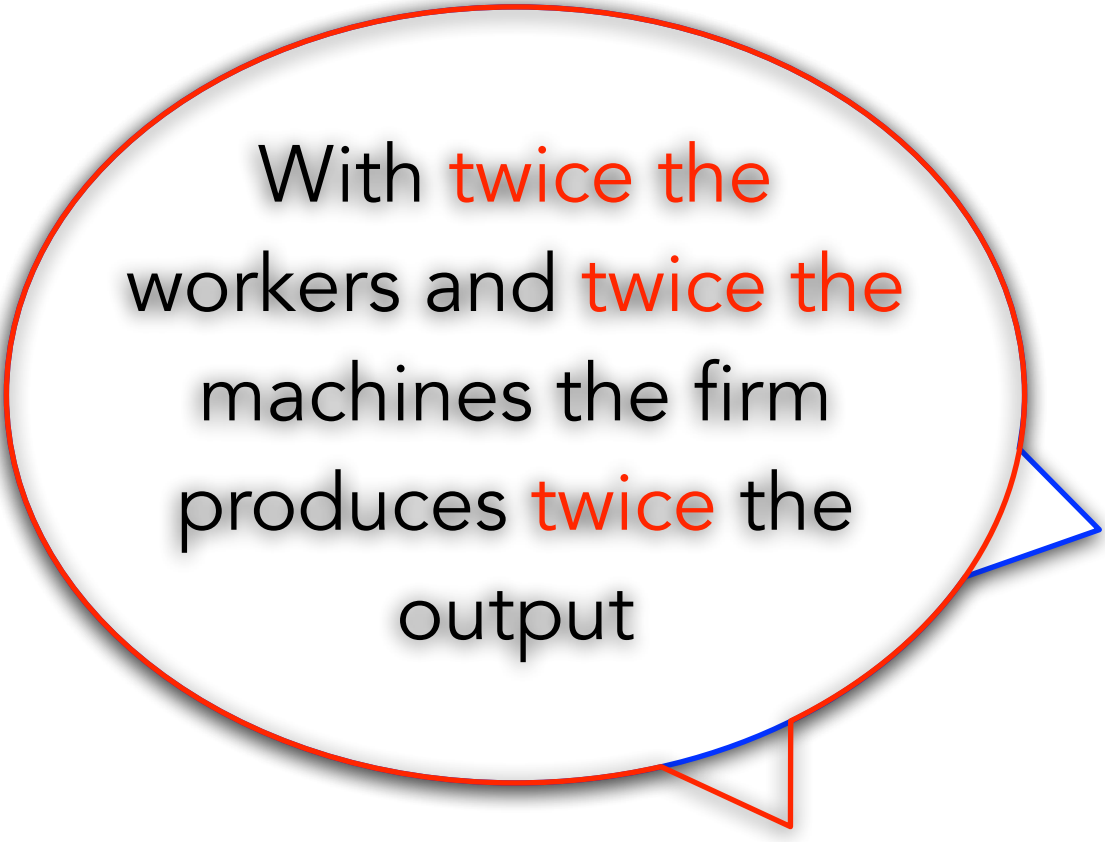
600

600

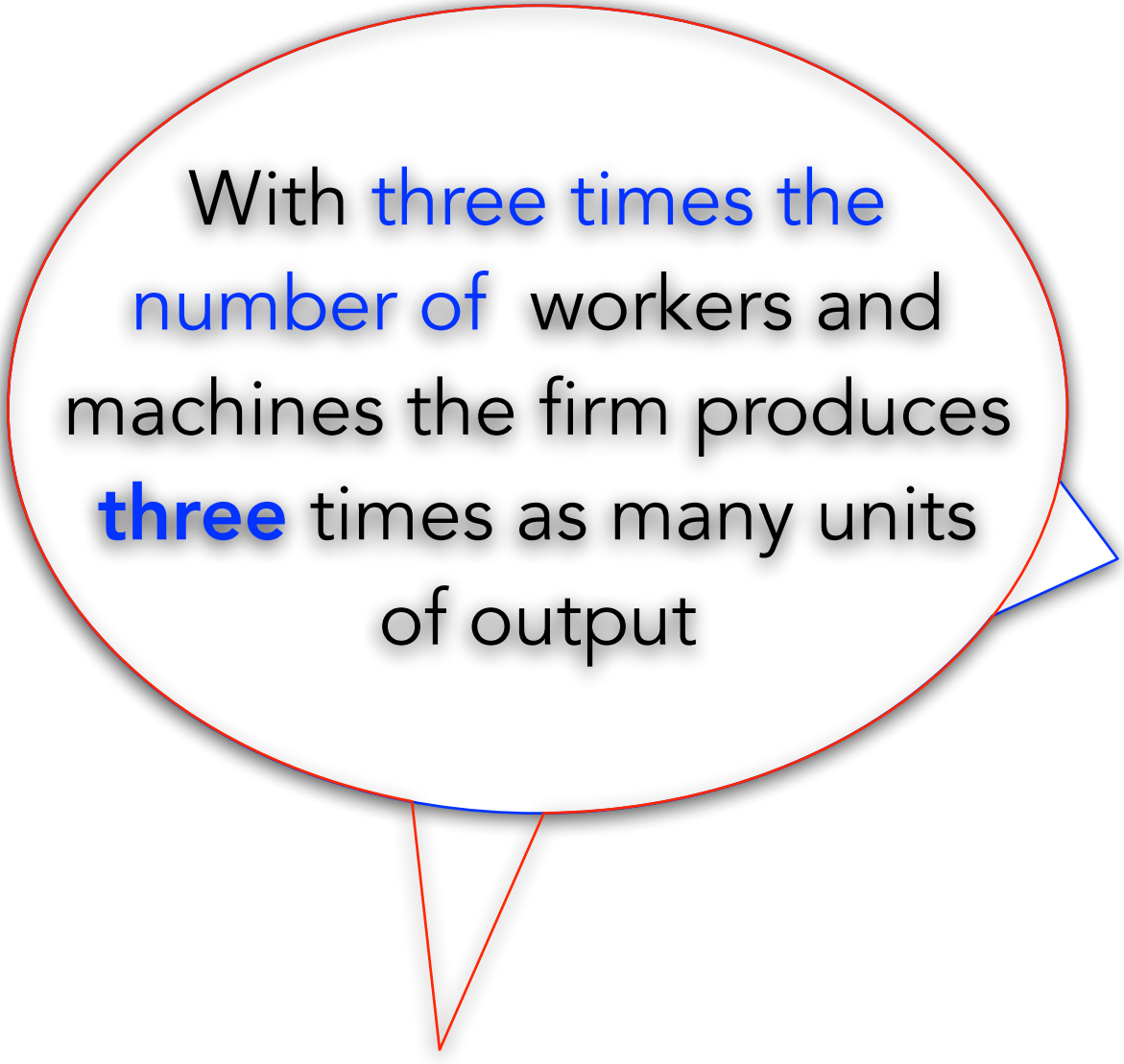
The firm is already using the **best** technology: Productivity
can not be further increased



With 100
workers and 100
machines the firm
produces 282 units
of output



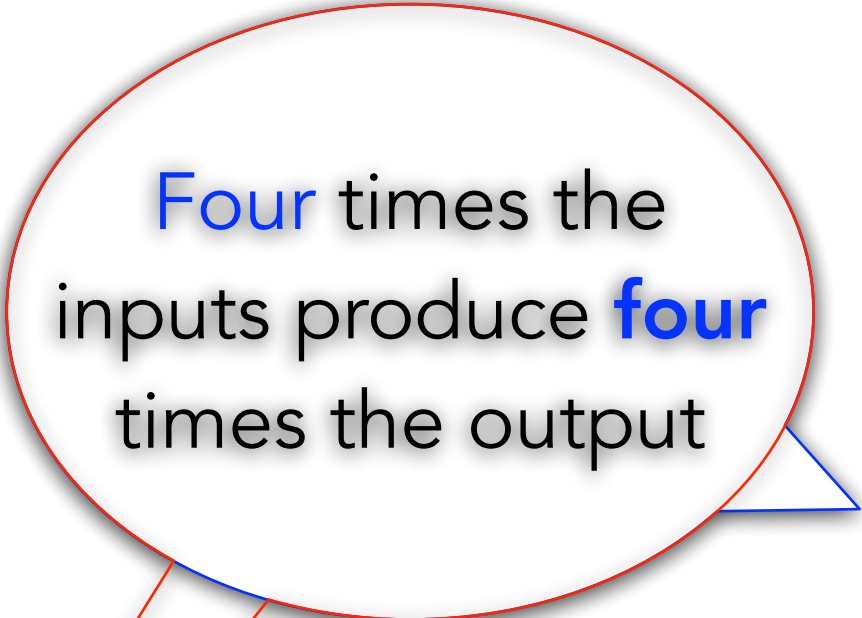
With twice the
workers and twice the
machines the firm
produces twice the
output



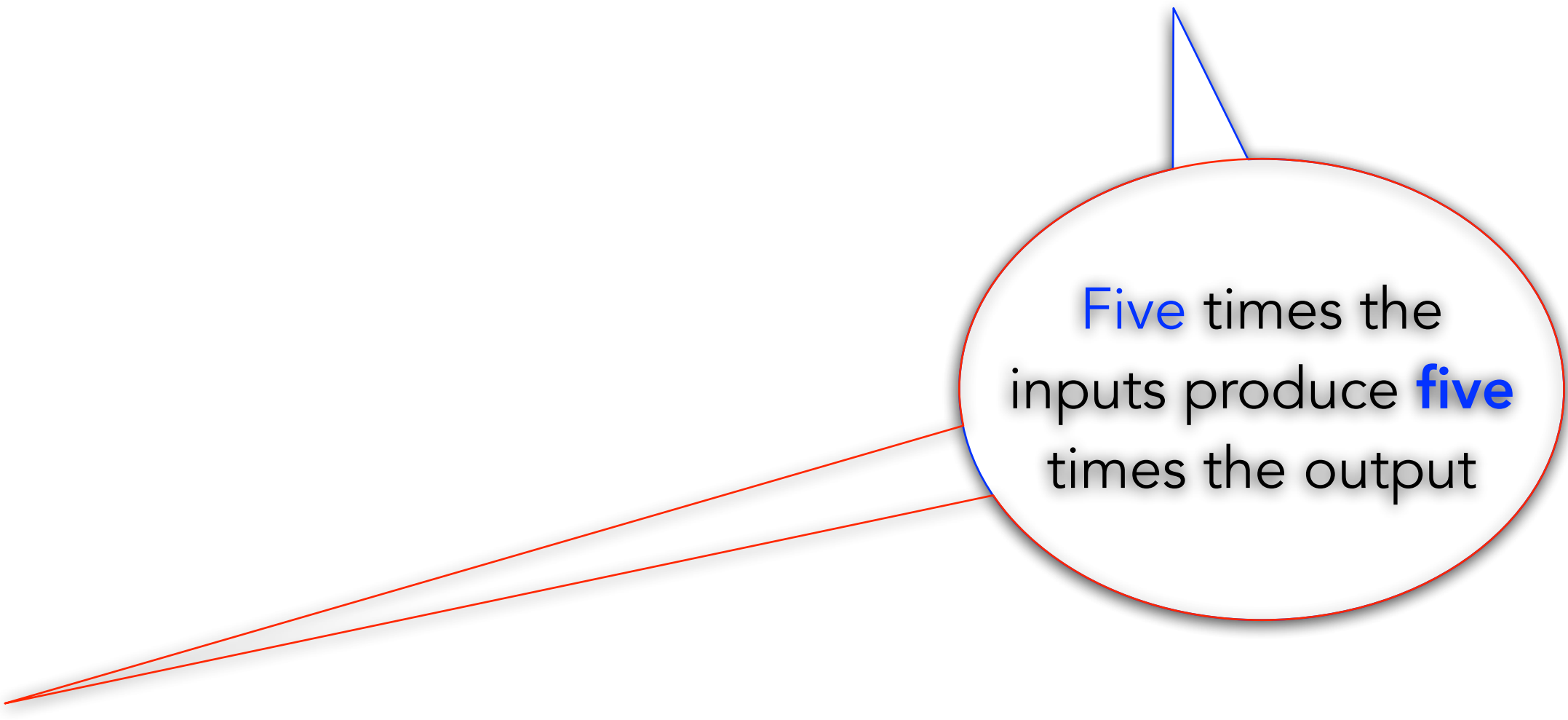
With **three** times the
number of workers and
machines the firm produces
three times as many units
of output

K





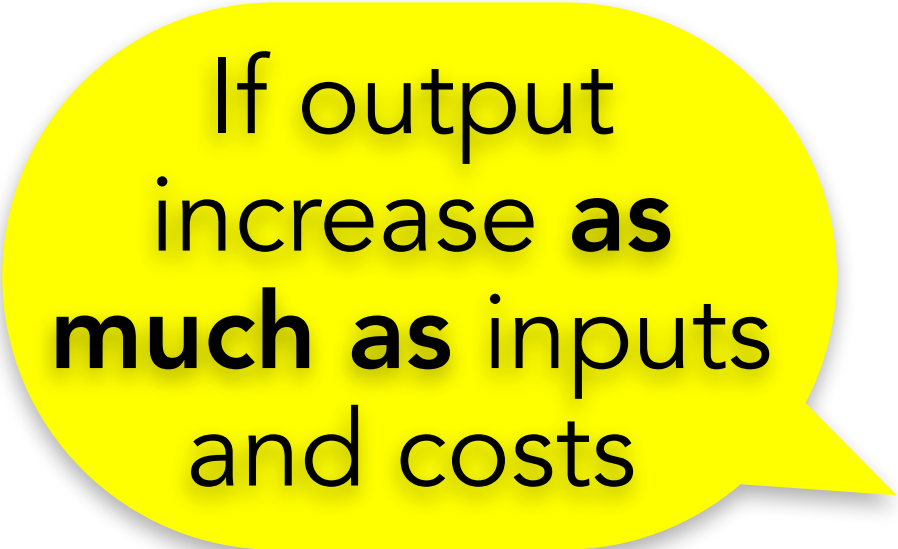
Four times the
inputs produce **four**
times the output



Five times the
inputs produce **five**
times the output

Total Product

ATC
Remains
the same



If output
increase **as**
much as inputs
and costs

400

400

Constant Returns to Scale

ATC
Remains
the same

K	600	692	980	1200	1384	1550	1692
	500	If output increase as much as inputs and costs		1096	1264	1410	1550
	400			980	1128	1264	1384
	300	490	692	846	980	1096	1200
	200	400	564	692	800	896	980
	100	282	400	490	564	632	692
		100	200	300	400	500	600
		L					

600	710	998	1218	1402	1568	
500	650	914	1114	1282		1568
400	582	818	998		1282	1402
300	508	710		998	1114	1218
200	418		710	818	914	998
100		418	508	582	650	710
	100	200	300	400	500	600