Plant is not the same as

Start with one factory with capacity to produce 30K units

30K

30K

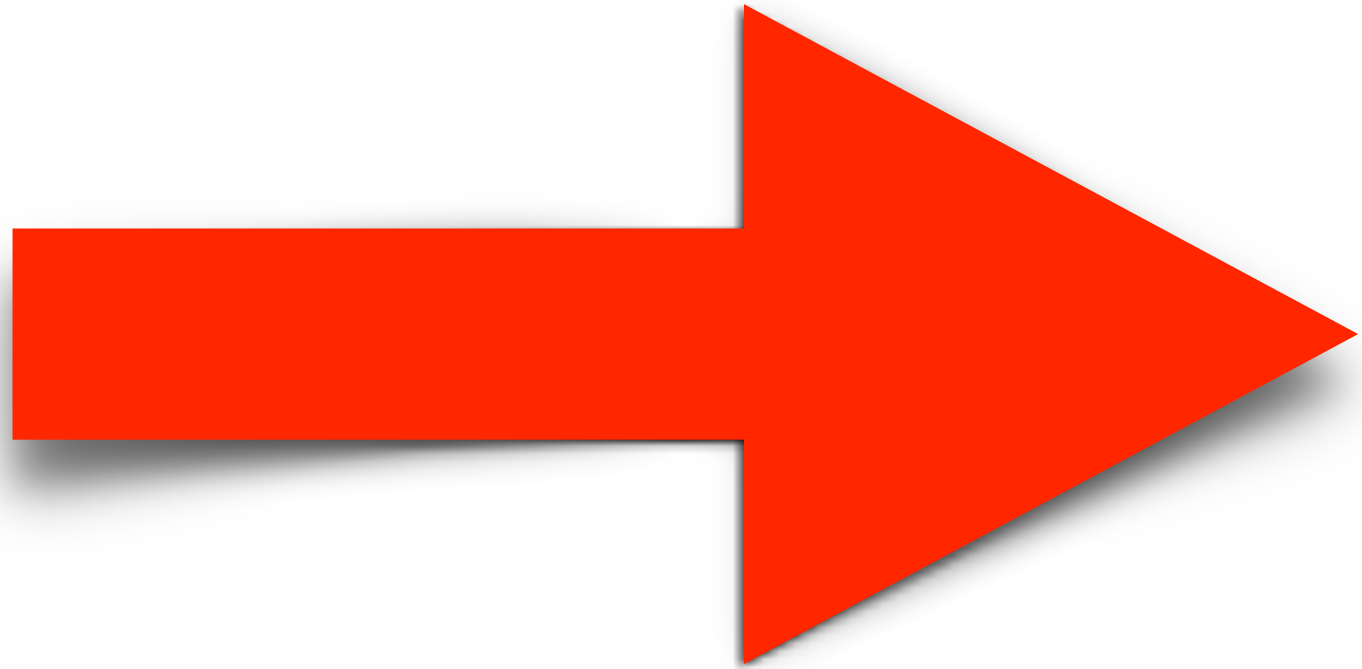
30K

30K

Plant size 1= 30K

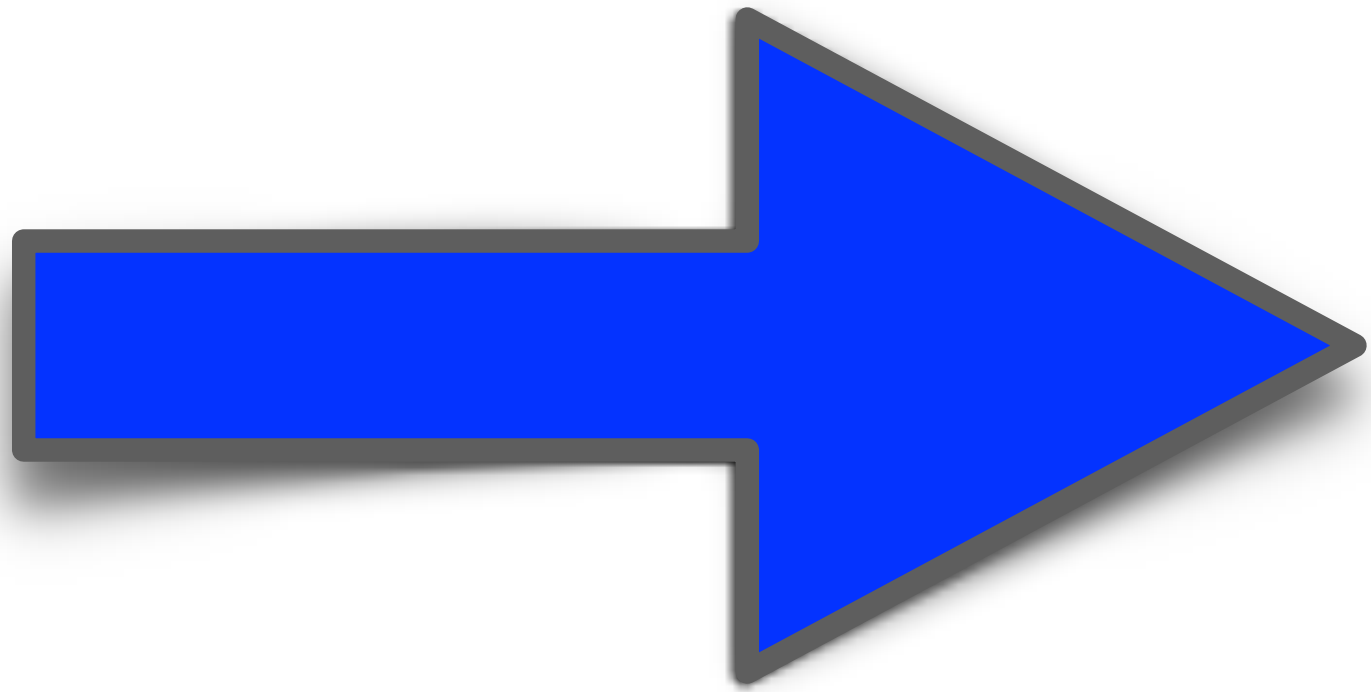
Plant size
2: 120K

Build more factories (say 3 more)



Plant size 1: 30k

Plant size 2: 120K



a farm

an office

a restaurant

a factory

30K

30K

Plant size 3:
180K

Plant is not the same as a factory

Build more factories (say 3 more) → Plant size 2: 120K

Short Run vs. Long Run