**CHAPTER 6: PRODUCTION**

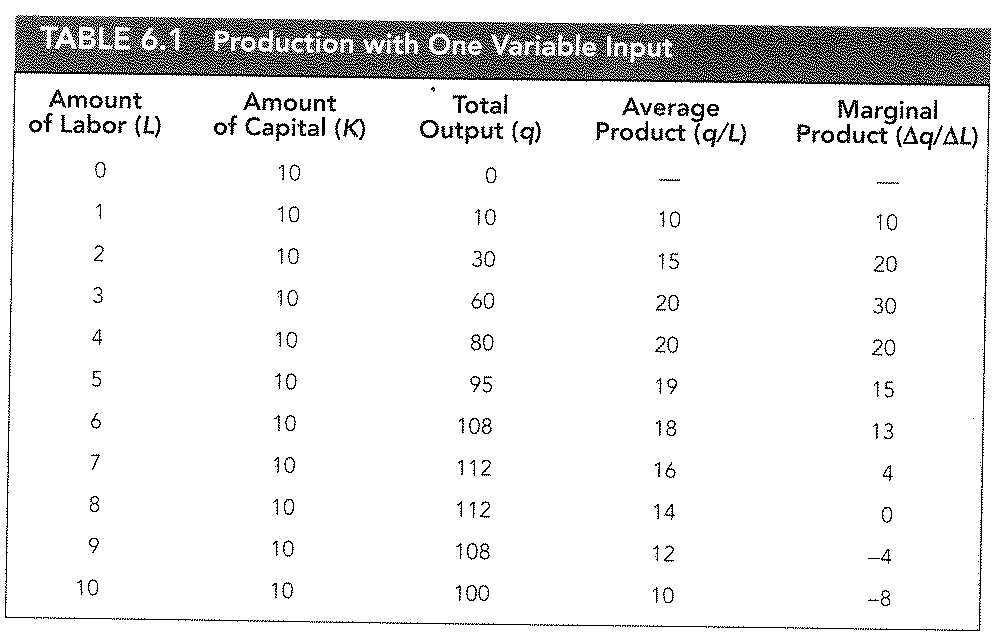
**Checklist**

Can you do the following regarding **production**?

* Explain the consumer behavior or purchasing decisions
* Explain the different production decisions
* Define the ‘Theory of the firm’
* What is Factors of Production?
* Define production function
* Formula for the production function
* Difference between short run and long run
* Definition and equation for Marginal product
* Definition and equation for Average product
* Define Law of diminishing marginal returns
* Explain labour productivity
* Define Isoquants
* Define Isoquant map
* Definition and equation for marginal rate of technical substitution (MRTS)
* Define a Fixed-proportion production function/Leonitief production
* Define Isoquant for perfect substitutes
* Define Returns to scale
* Define increasing returns to scale
* Define constant returns to scale
* Define decreasing returns to scale

**CHAPTER 6: PRODUCTION**

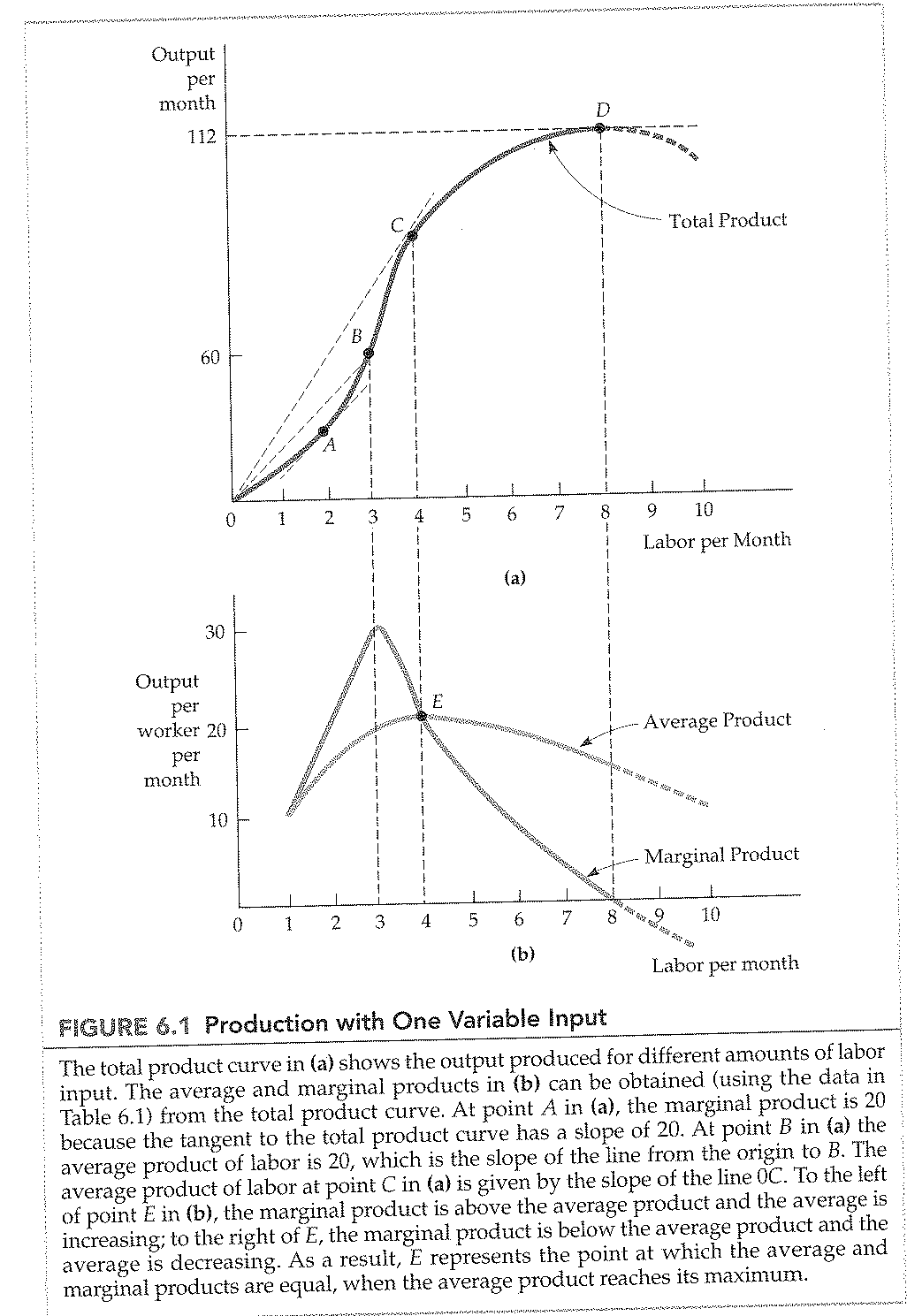
**Production function**



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**CHAPTER 6: PRODUCTION**

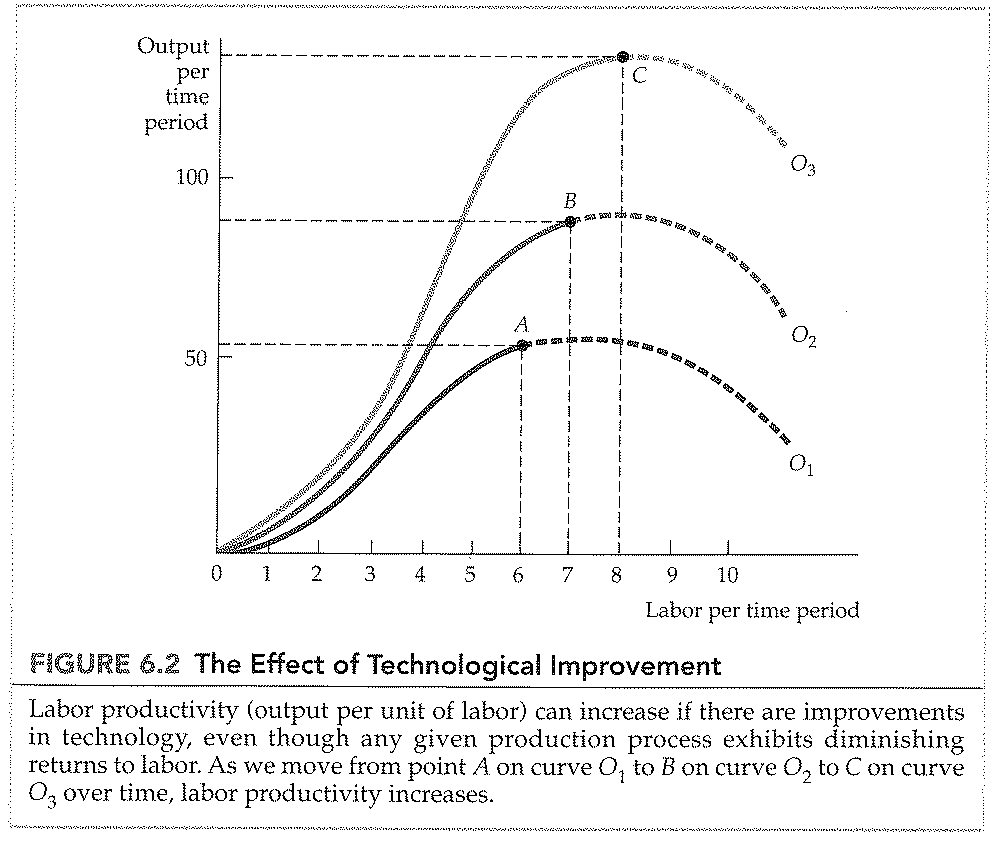
**Production function with one variable**



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**CHAPTER 6: PRODUCTION**

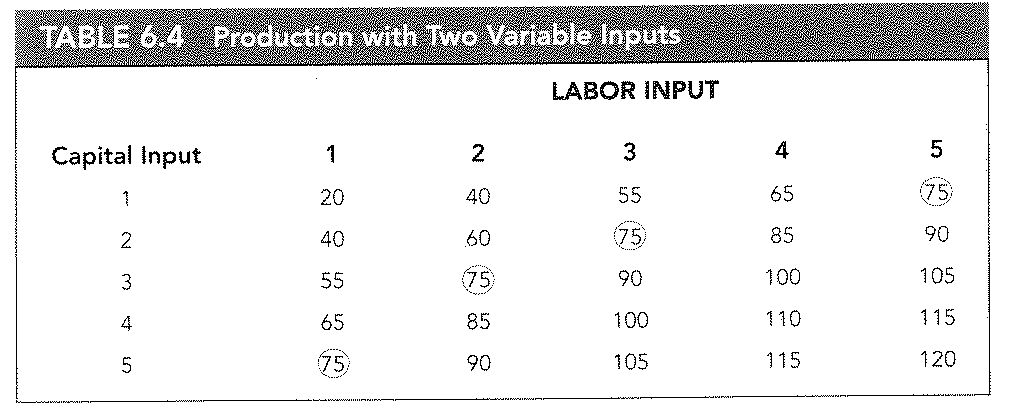
**Law of diminishing marginal returns**



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**CHAPTER 6: PRODUCTION**

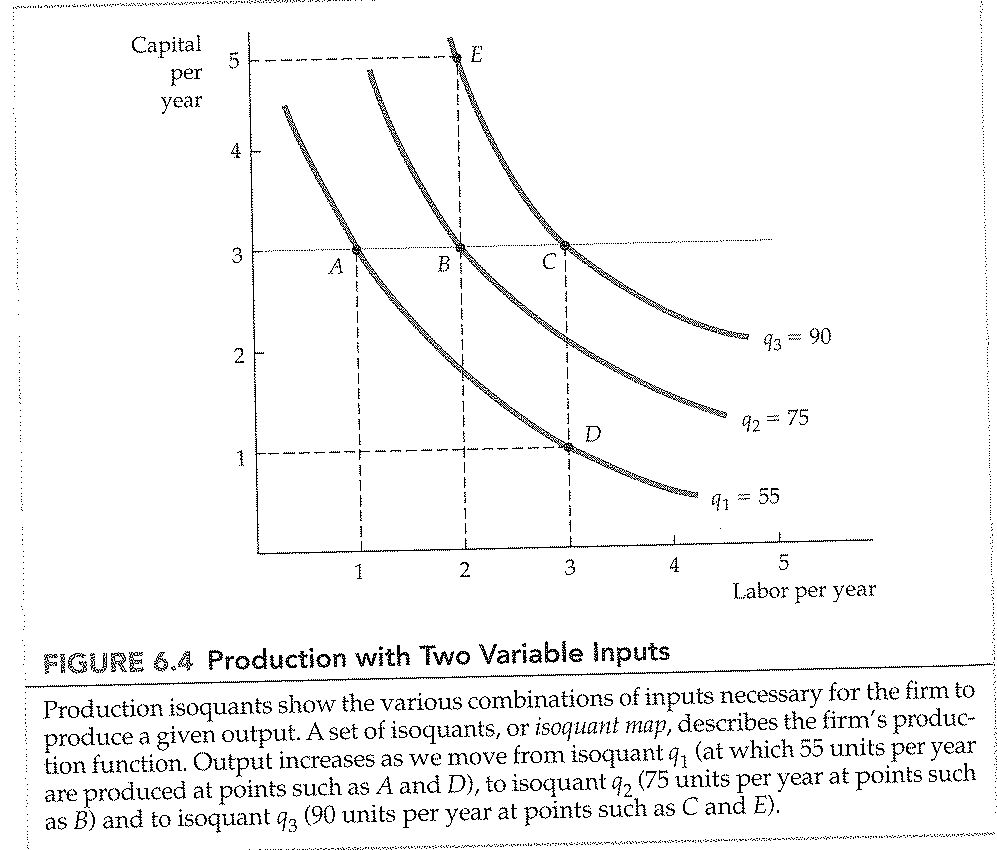
**Isoquants: Table**



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**CHAPTER 6: PRODUCTION**

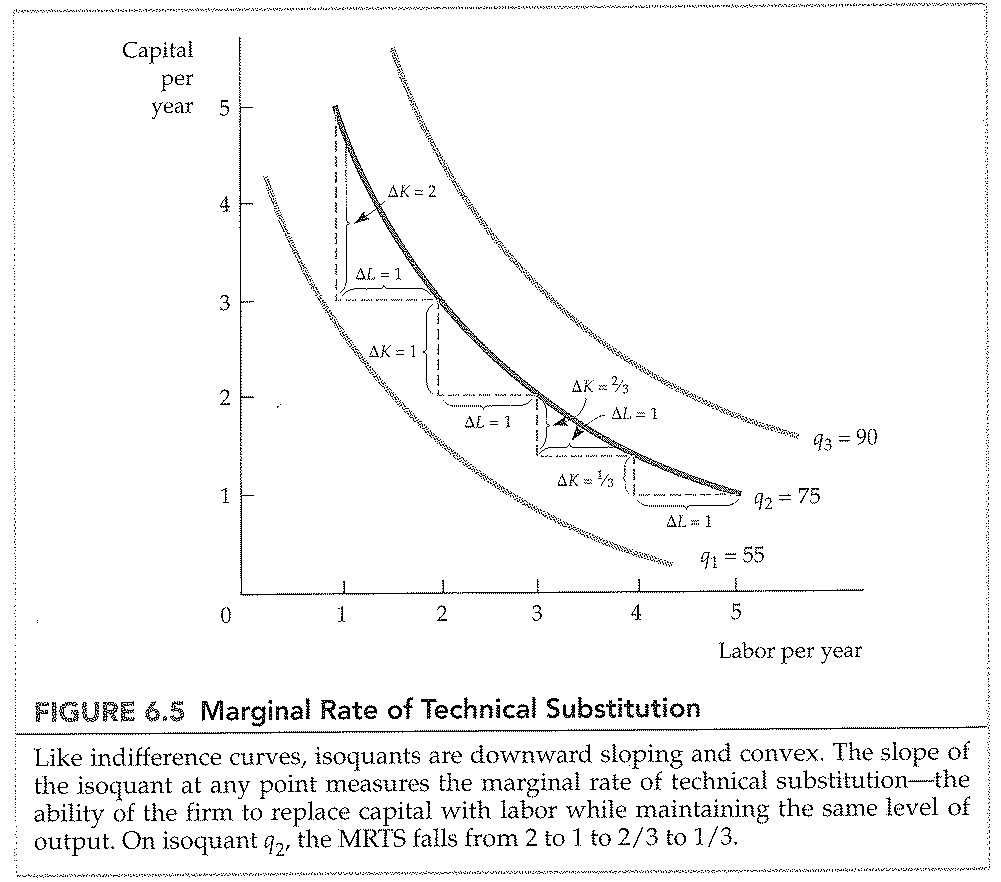
**Isoquants**



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**CHAPTER 6: PRODUCTION**

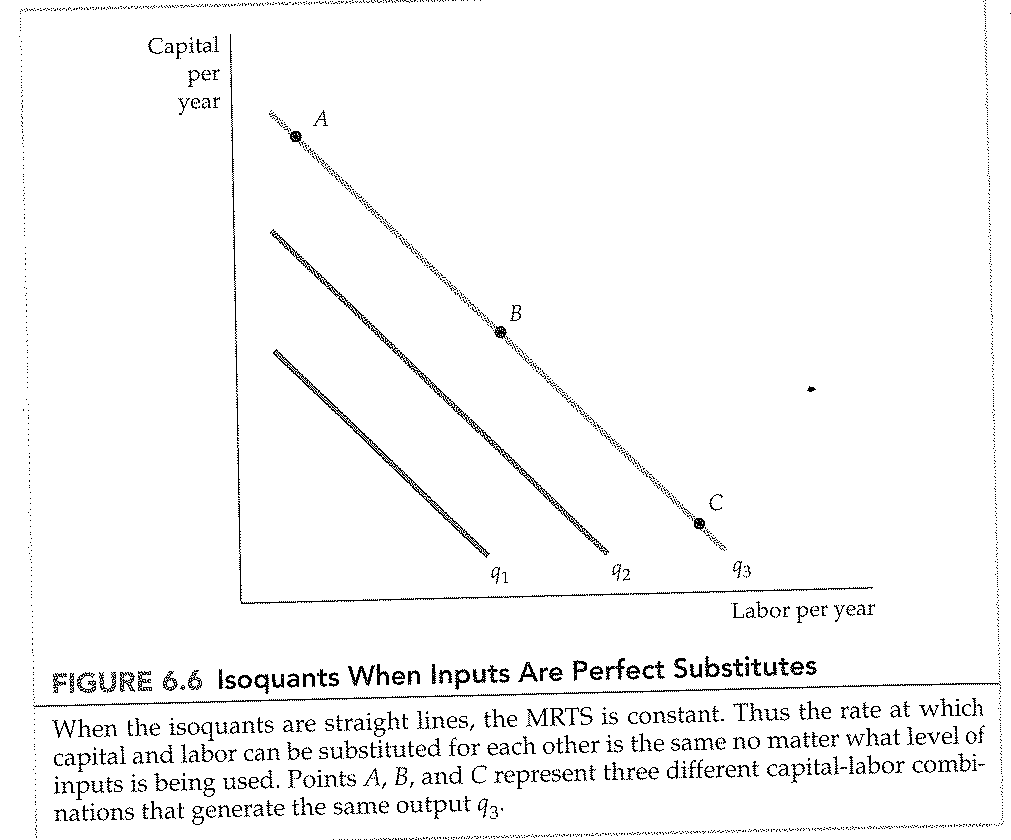
**Marginal rate of technical substitution (MRTS)**



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**CHAPTER 6: PRODUCTION**

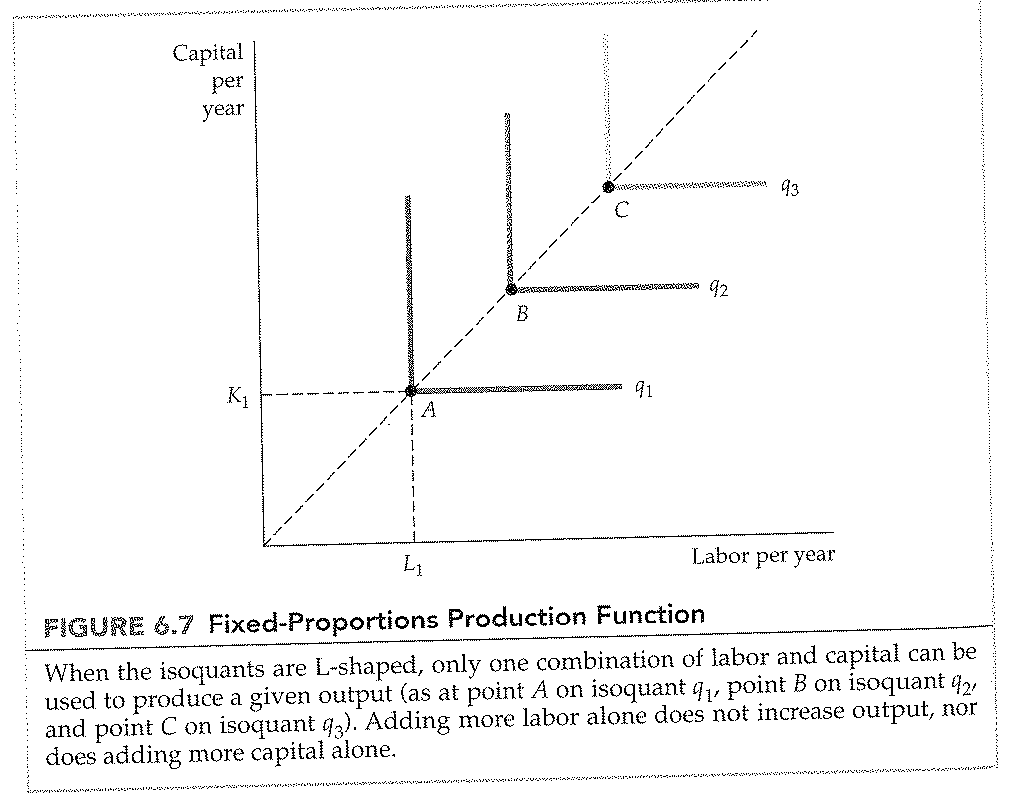
**Isoquant for perfect substitutes**



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**CHAPTER 6: PRODUCTION**

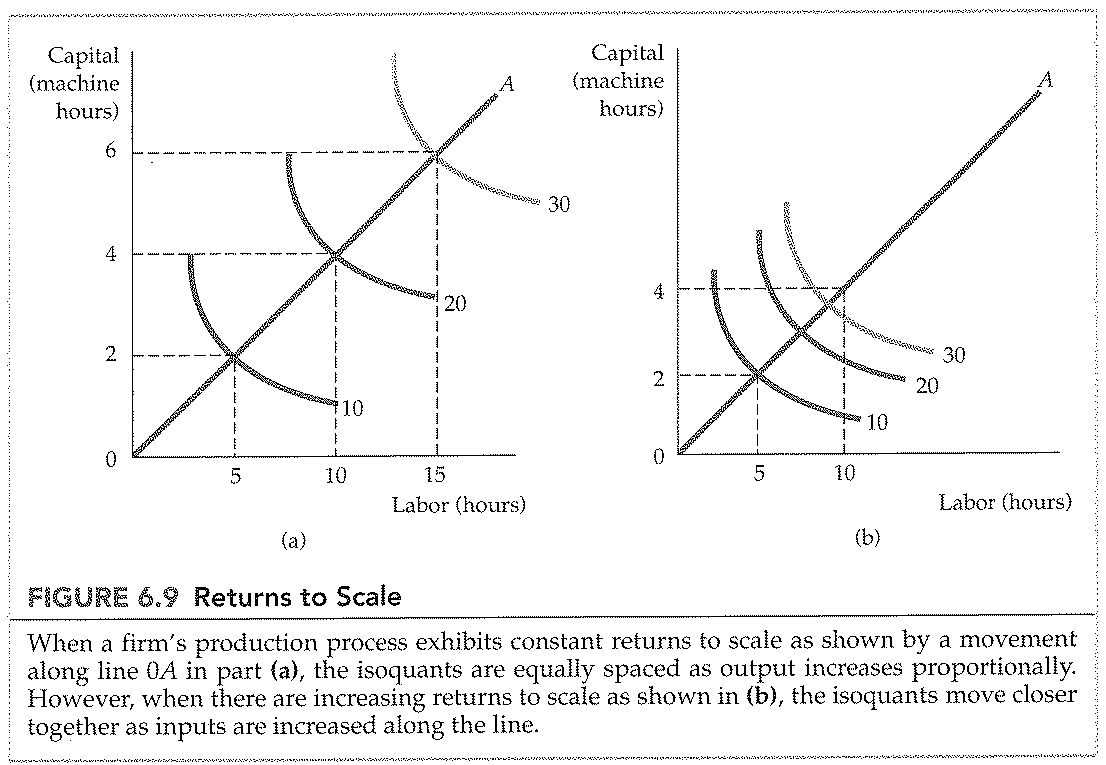
**Fixed-proportions/Leonitief production function**



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**CHAPTER 6: PRODUCTION**

**Returns to scale**



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