Table illustrates the operation:
Units of
Labour
L
Total
Product
(Quintals)
Q
Average
Product
(Quintals)
Marginal
Product
...WINTERTemplate
Law of Variable Proportion
ï If one factor is used more & more,keeping the other factors constant.
ï The to...

Table illustrates the operation:
Units of
Labour
L
Total
Product
(Quintals)
Q
Average
Product
(Quintals)
Marginal
Product
...

STAGE 1 : INCREASING RETURNS
As the production of one factor in the combination of factor
is increased upto a point, the M...

STAGE 3 : NEGATIVE RETURNS
MP of variable factor is negative.
Reasons: ï§ Excessive variable factor
ï§ Inefficiency of fixed...

ISOQUANTS
Isoquant is a curve representing the various combinations of
two inputs that produce the same amount of output.
...Law of Returns to Scale
ï It is a Long run analysis & all factors are variable.
ï It seeks to analyse the effects of scale...

Factor
Production
Labour Capital
A 5 9
B 10 6
C 15 4
D 20 3
E 25 2
Example:
 

ISOQUANTS are negatively inclined.
ISOQUANTS are convex to the origin.
Two ISOQUANTS canât intersect each
other.
ISOQUANTS...Perfect
substitutability
between factors of
production.
An output can be
produced by
either using one or
both.
Strict
comp...

