



LAW OF VARIABLE PROPORTION AND LAW OF RETURNS TO SCALE

[GLOSSARY]

Subject	:	Business Economics
Paper No. & Title	:	101 Microeconomics - I
Unit No. & Title	:	3 Production
Lecture No & Title	:	3 Law of Variable Proportion And Law of Returns to scale

GLOSSARY

Productivity

Production capacity of one unit of factor of production

Marginal Production

Production done by additional unit of factor of production

Average Production

Production per unit of factor of production

Indivisible factor

Factors of production which cannot be divided

Internal economies of scale

Advantages enjoyed by firm internally

External economies of scale

Advantages enjoyed by firm outside its unit

Disintegrated units

Separate units for different methods