



**[Glossary]**  
**[Heckscher-Ohlin Theory & General  
Equilibrium Framework of International Trade ]**

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## **Glossary:**

**Labor-intensive commodity:** the commodity is said to be labor intensive if its production uses relatively more labor and less capital.

**Capital-intensive commodity:** the commodity is said to be capital-intensive if its production uses relatively less labor and more capital.

**Constant return to scale (CRS):** It exhibits that doubling the inputs (labor and capital), output will increase by twofold. We can say that production function is homogenous of degree one.

**Production Possibility Frontier:** A production possibility frontier (PPF) is locus which shows the combinations of two or more goods that can be produced by using given factors of production.