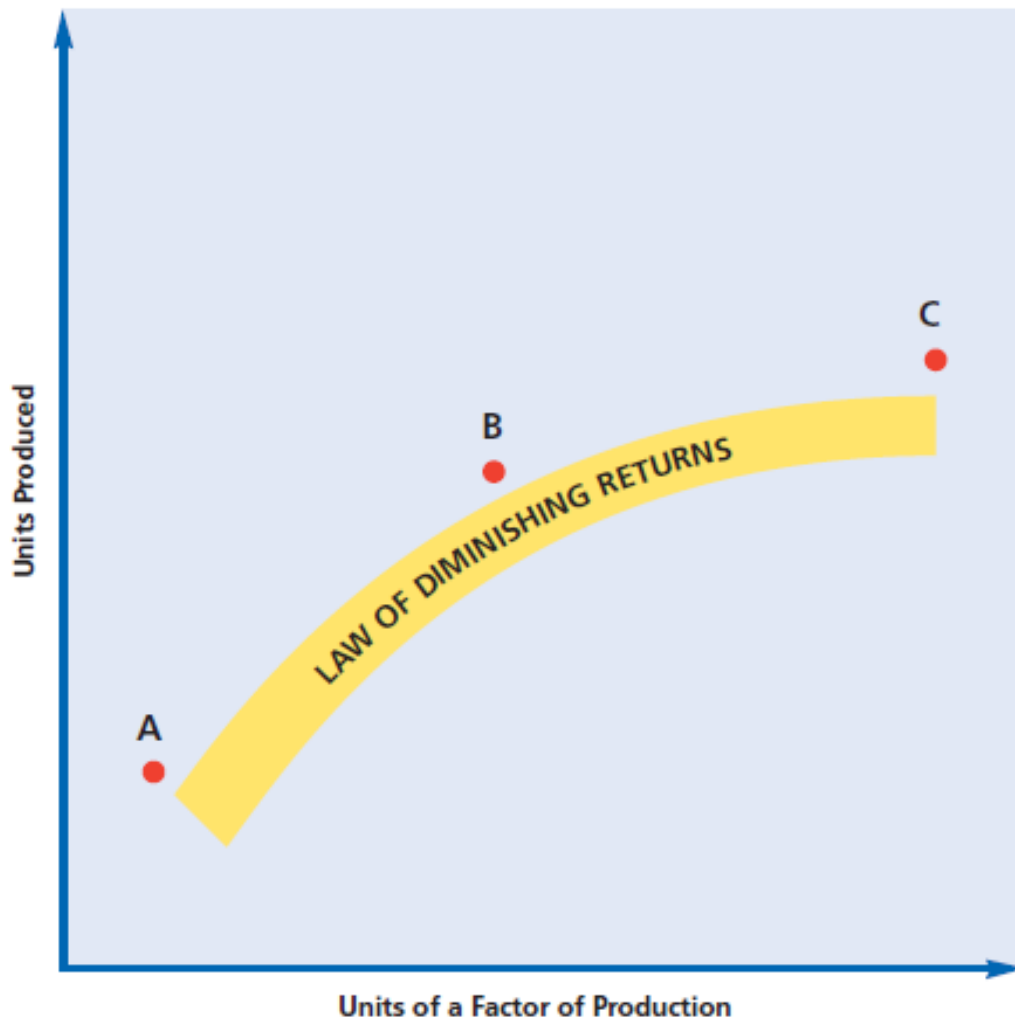


FOCUS ACTIVITIES

Transparency 11



THE LAW OF DIMINISHING RETURNS



1. How does the shape of the indicator line on the graph show diminishing returns?
2. Why is it not necessary for a specific product or factor of production to be identified?