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| Explain the difference between short-run and long-run production |
| Understand the difference between marginal returns of a variable factor of production in the short-run and returns to scale in the long-run |
| Calculate and draw a firm’s cost curves and be able to explain the shape of the following:   * MC * ATC * AFC * AVC |
| Explain the concept of MES and a range of economies and diseconomies of scale |
| Explain how MES has implications for the structure of an industry |