



Worksheet 7.3

Costs of Production Presentation

The following presentation can be completed individually or in small groups, as a homework assignment or as an in-class activity.

Learning Objectives:

1. Distinguish between fixed and variable costs of production.
2. Understand how the law of diminishing returns affects the shape of a firm's short-run total costs and short-run average costs.
3. Understand the relationships between marginal cost and the average costs faced by a firm.
4. Distinguish between the short-run and the long-run and understand how economies of scale determines the shape of a firm's long-run ATC curve.
5. Evaluate the importance to a business firm of understanding its short-run and long-run costs of production.

Process: Work on your own or with a partner in the class to prepare a presentation on the theories behind and the relationships between a firm's short-run and long-run costs of production. Pairs will create a shared PowerPoint or Google Presentation and collaborate on creating a presentation demonstrating your understanding of the topics outlined below. The presentations that are created will be shared among group members, and edited in class and over the weekend.

The assignment: You will make a presentation on the difference between short-run and long-run costs of production.

Guidelines for presentation:

1. Presentations must be at least 10 slides long, but no more than 15.
2. Presentations must include definition, explanations, illustrations and examples (when possible) for the key concepts identified below.
3. Presentations must include graphs from the resources provided to illustrate concepts where necessary.
4. Presentation must use each group's own words. Copying and pasting text from the resources provided is not permitted.



Economics

Short-run Key Concepts

- Short-run
- Total, average and marginal product
- Law of diminishing returns
- Short-run total costs
- Short-run marginal and average costs

Resources on Short-run Costs of Production:

- Chapter 7, page 152 - 160

Long-run Key Concepts

- Long-run
- Long-run Average Total Cost
- Economies of scale/Increasing returns to scale
- Minimum efficient scale
- Constant returns to scale
- Diseconomies of scale/Decreasing returns to scale

Resources on Long-run Costs of Production:

- Chapter 7 pages 161–163

Grading Presentation: Total – 30 marks

Area of assessment	High marks (7-10)	Medium marks (4-6)	Low marks (1-3)
Organization	Easy to read. Font size varies appropriately. Text is appropriate length. Presentation falls within the required length limits (10-15 slides).	Overall readability is difficult. Too much text. Too many different fonts. Presentation falls within the required length (10-15 slides).	Text is difficult to read. Too much text. Inappropriate fonts. Small font size. Presentation is either too short or too long.



Economics

Graphs	All graphs are related to content. All graphs are appropriate size and good quality. Graphics are explained clearly and illustrate the concepts from the presentation.	Some of the graphs are unrelated to content. Too many graphics on one page. Some of the graphics distract from the text. Graphs are explained, but explanations are incomplete or unclear.	Most of the graphs are unrelated to content. Too many graphics on one page. Most of the graphs distract from the text. Explanations are incomplete and unclear.
Concepts	The economic concepts that were assigned have been completely and accurately incorporated into the presentation. Definitions, explanations, illustrations and examples fully reflect the team's understanding of the concepts.	The economic concepts assigned are all addressed in the presentation, but analysis is superficial and lacks original insight from the team members.	The economic concepts assigned are not all addressed in the presentation. One or more have been left out completely, and those that were addressed were explained or illustrated incorrectly.

Mark Bands:

27-30: **A**

23-26: **B**

19-22: **C**

15-18: **D**

0-15: **F**