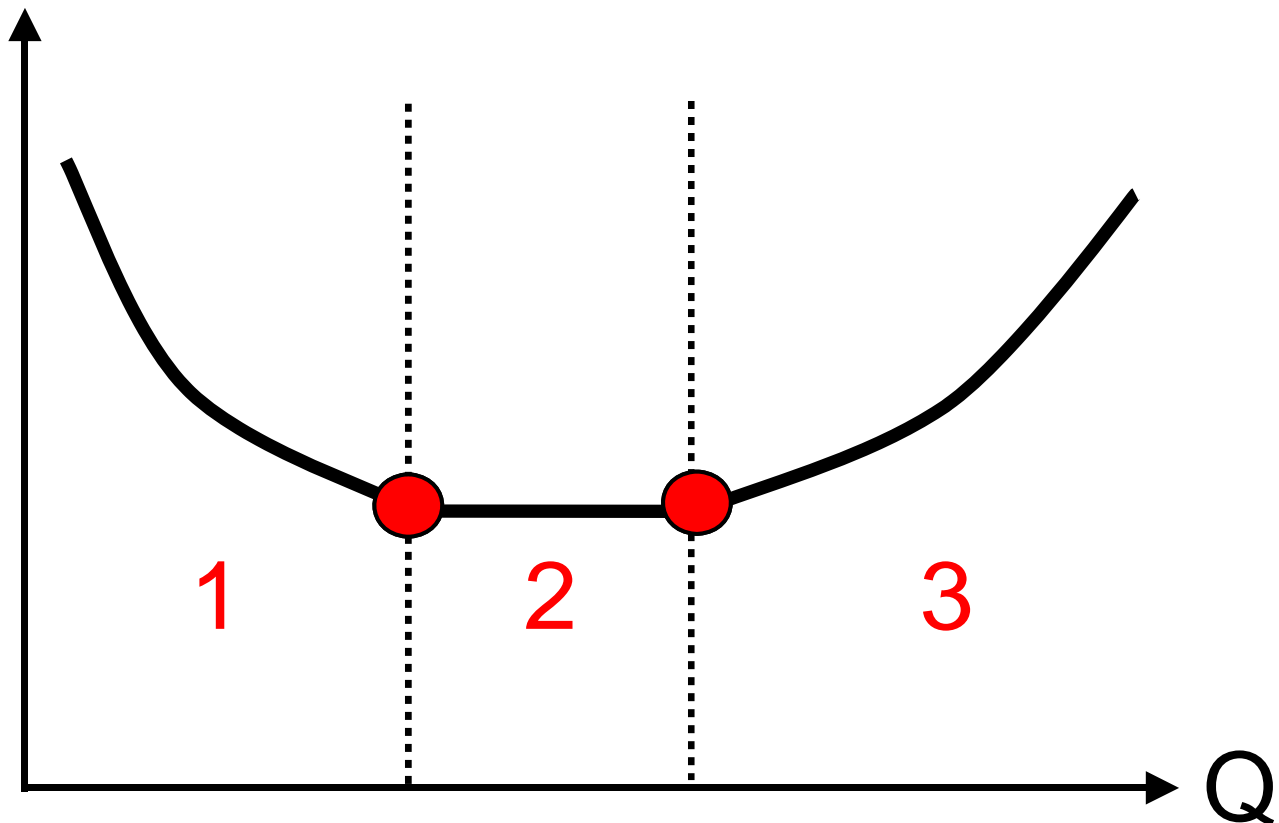# 3.7 Returns to scale

Long-run average cost

1 **Increasing** returns to scale
    (= economies of scale)
2 **Constant** returns to scale
3 **Decreasing** returns to scale
    (= diseconomies of scale)

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