# ASSUMPTIONS OF PRODUCTION FUNCTION.

(i) The production relates to a specified period of time.

(ii) The factors of production of a production function are divisible into viable units.

(iii) The state of technical knowledge does not change during the period of time.

(iv) The firm is using the best and most efficient technique available in production.

(v) There are some fixed and some variable factors of production but In Long-run, all the factors of production function are variable.

\* **Charecteristics of production function.**

(i) The production function is an engineering concept. It shows the relationship between the quantity of output yeilded and the quantities of various inputs.

(ii) The production function is independent of the prices of inputs and outputs.

(iii) If firm changes its all inputs in long-run the production function is known as the return to scale or long-run production function.

(iv) The same quantity of output can be obtained by the different combinations of inputs.

(v) The production function exhibits the tech-nical or engineering conclusions.