

Since  $Y_R^*$  = capacity is in terms of value added  
we have to take into account sales  $\frac{Y_{12}^*}{S_R}$   
so that the axes can take account of  
possible influence of raw material prices  
on the size of amount of profits,  
(ratio)

But it appears that my  
formulations in place in the  
profit function and the break-even point  
involves the non-relevance of  
raw material prices. } ✓

This is perhaps goes too far. One might say  
that the new materials have to carry  
a margin in the same way as if  
they were resold - a trade margin!  
Major changes in the cost price or large  
raw material price waves would  
simply lead to a change in the margin!