

Wage per unit of effort, $c = \frac{w}{e}$

$$\frac{w^N}{e^N} = c$$

Marginal
benefit
=
Marginal revenue
product

Marginal cost
of labor

$$c = \frac{w}{e}$$

n_1

n_2

mb_1

mb_2

l_1^N

l_2^N

Total labor used by the employer, $l = eh$

