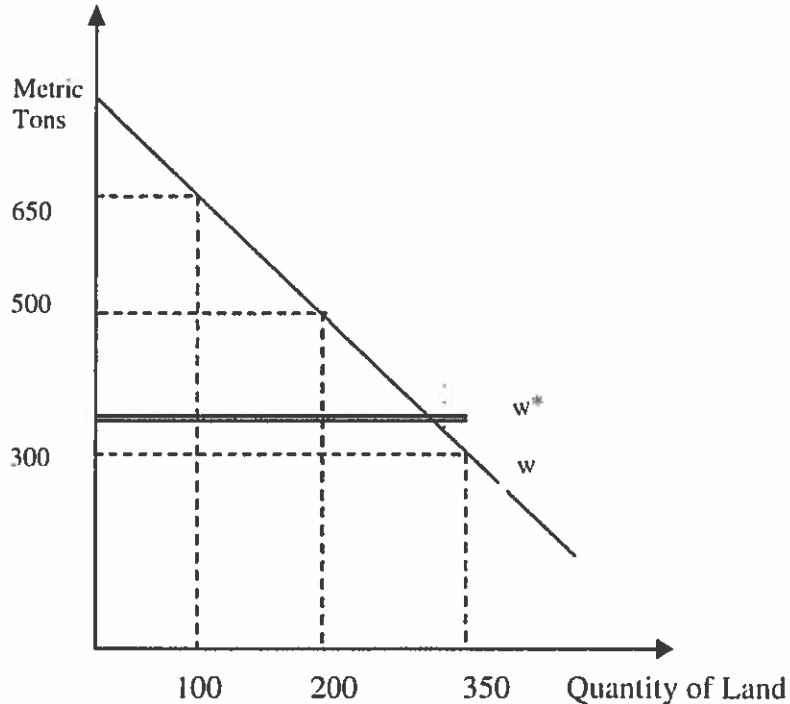


Additional Total Product  
for Successive Units of Land



1) We worked through Ricardo's corn model and theory of rent in class on Monday.. Use the framework above to identify the areas that represent total wages rents and profits if this economy is cultivating 100 units of land. (Please shade the areas in different ways and label them. One option is below)

Total wages: /////

Total profits: \\\

Total rents: ===

2) Ricardo argued that rent was "... never a creation of revenue but always a part of a revenue already created." Use the case of going from 100 to 200 units of land cultivated to explain this part of his argument. If you're able, use the model to depict this aspect of Ricardo's argument.

3) Isn't rent a price on land? If so, explain why rent rises as land in cultivation grows less fertile.

4) Explain Ricardo's argument about the situation in this economy if it cultivates 350 units of land.

5) What did Ricardo argue was the "principle problem of political economy or economics? Discuss any ways that this framework can be used to make arguments about this problem.