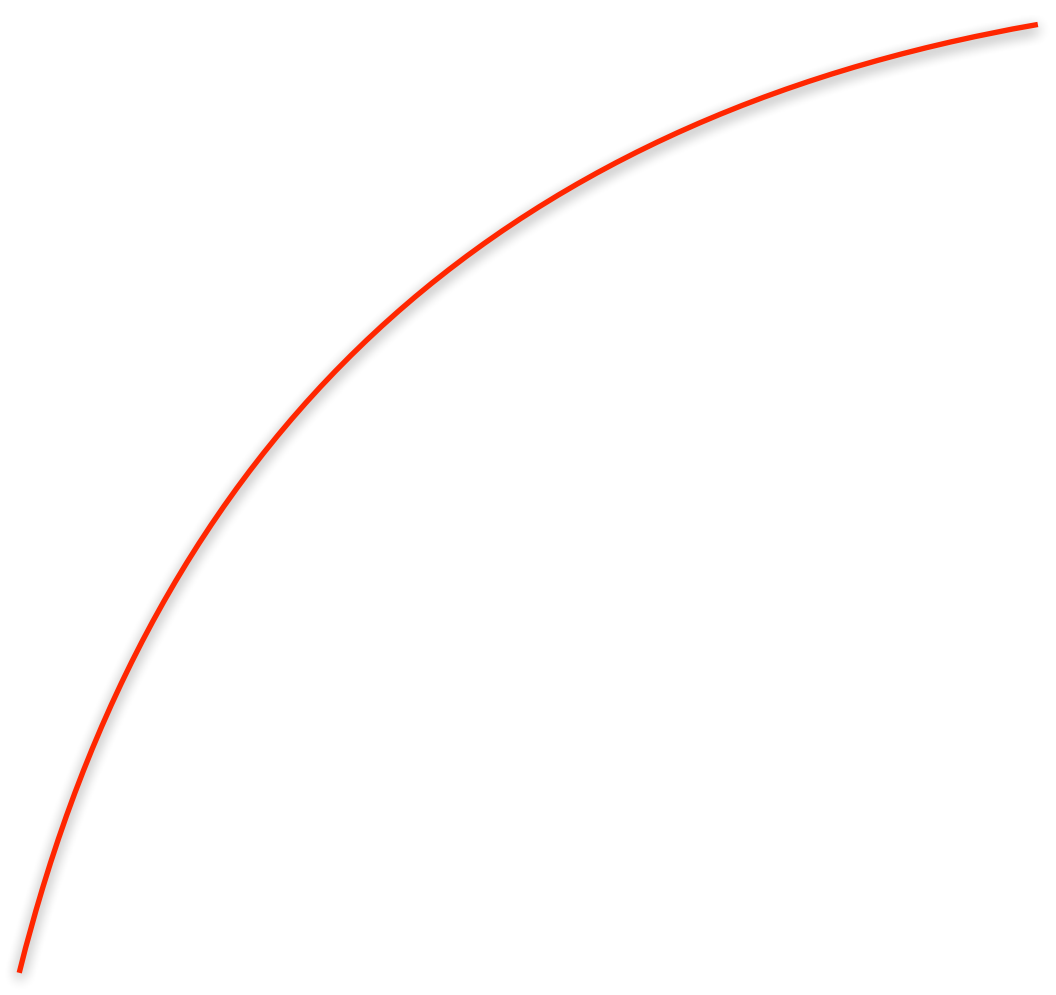
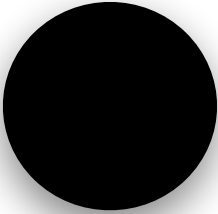
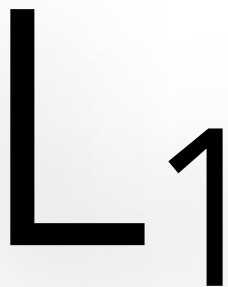




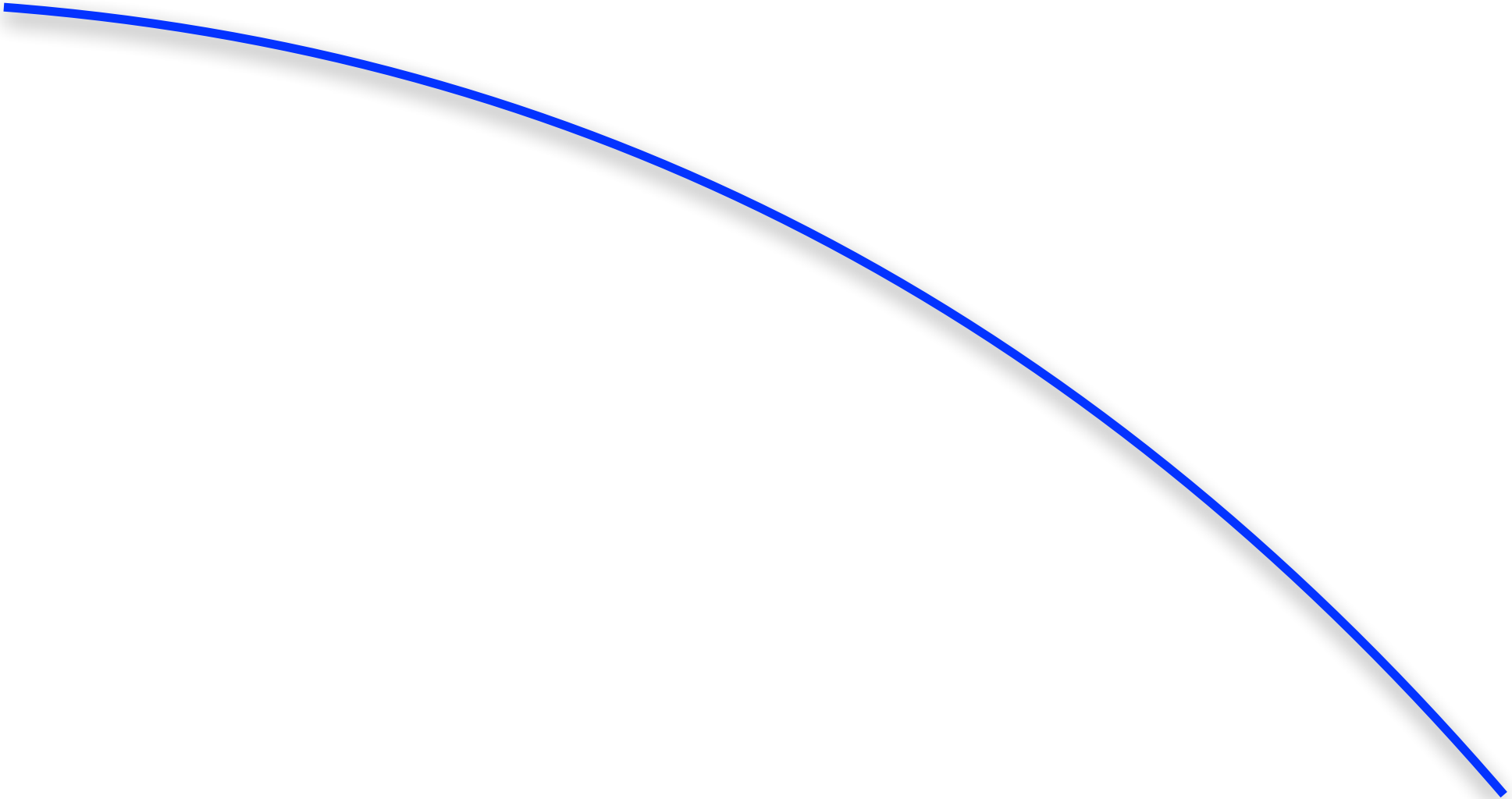
L_0


L1

Deciding how many workers to hire…

Obviously hire all workers with increasing MP

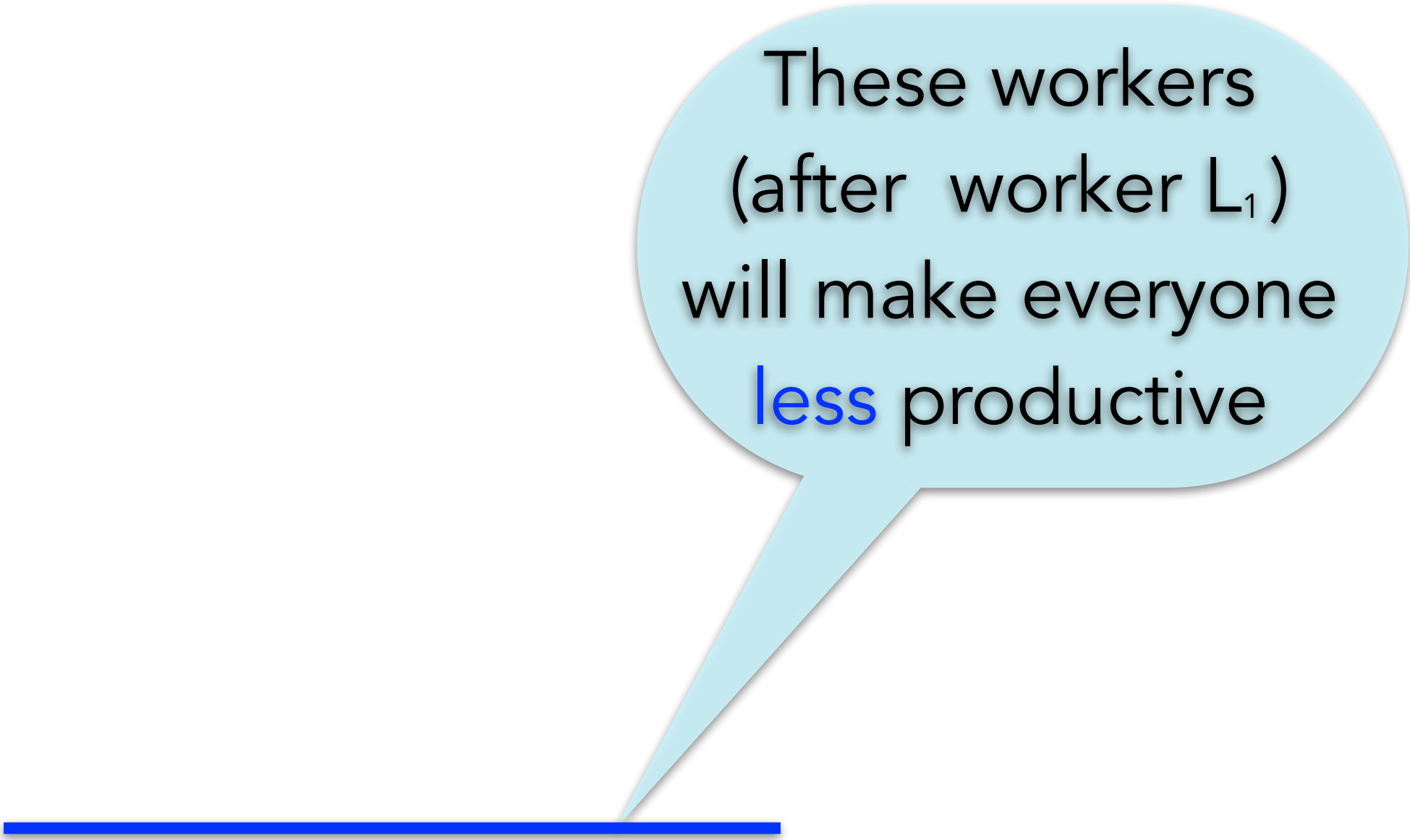
Obviously do not hire any workers with negative MP



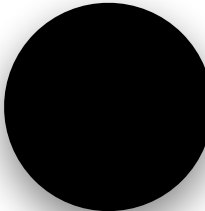
increasing MP

decreasing MP

negative MP

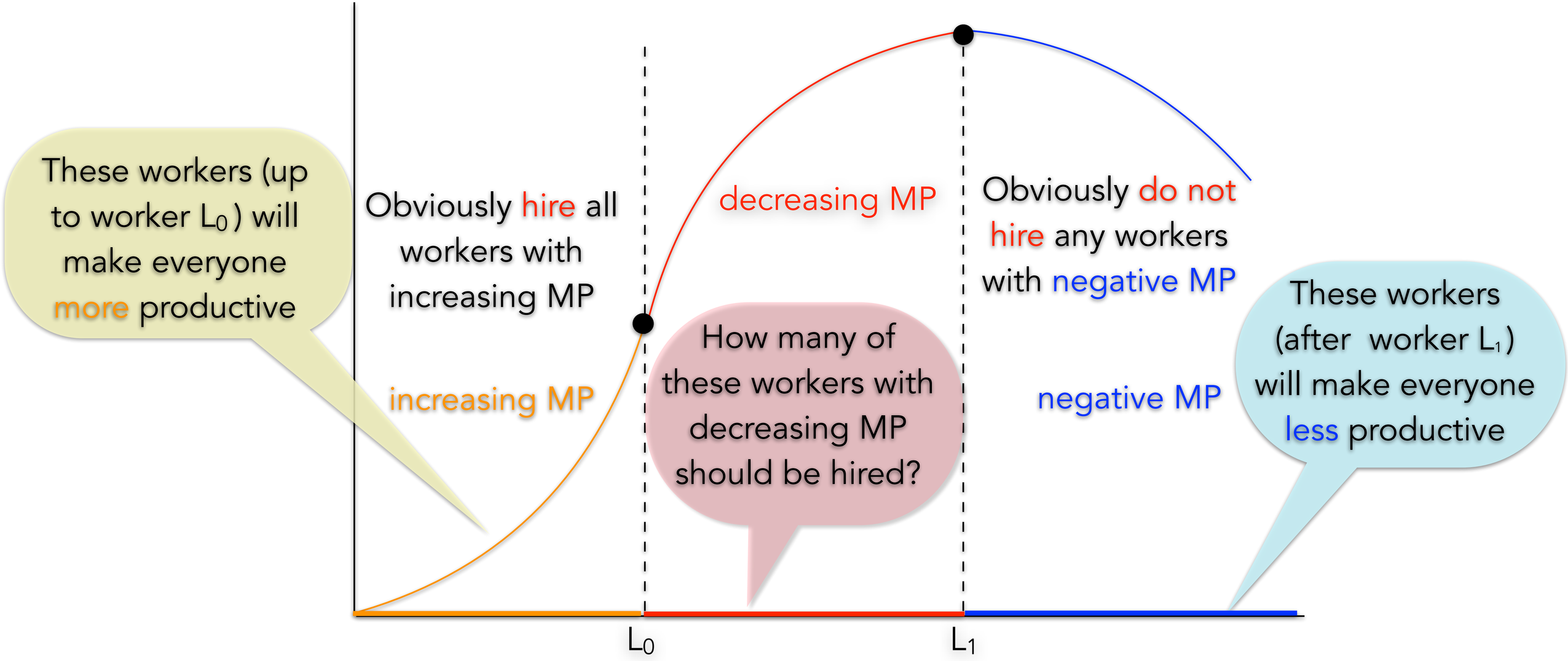

These workers
(after worker L_1)
will make everyone
less productive

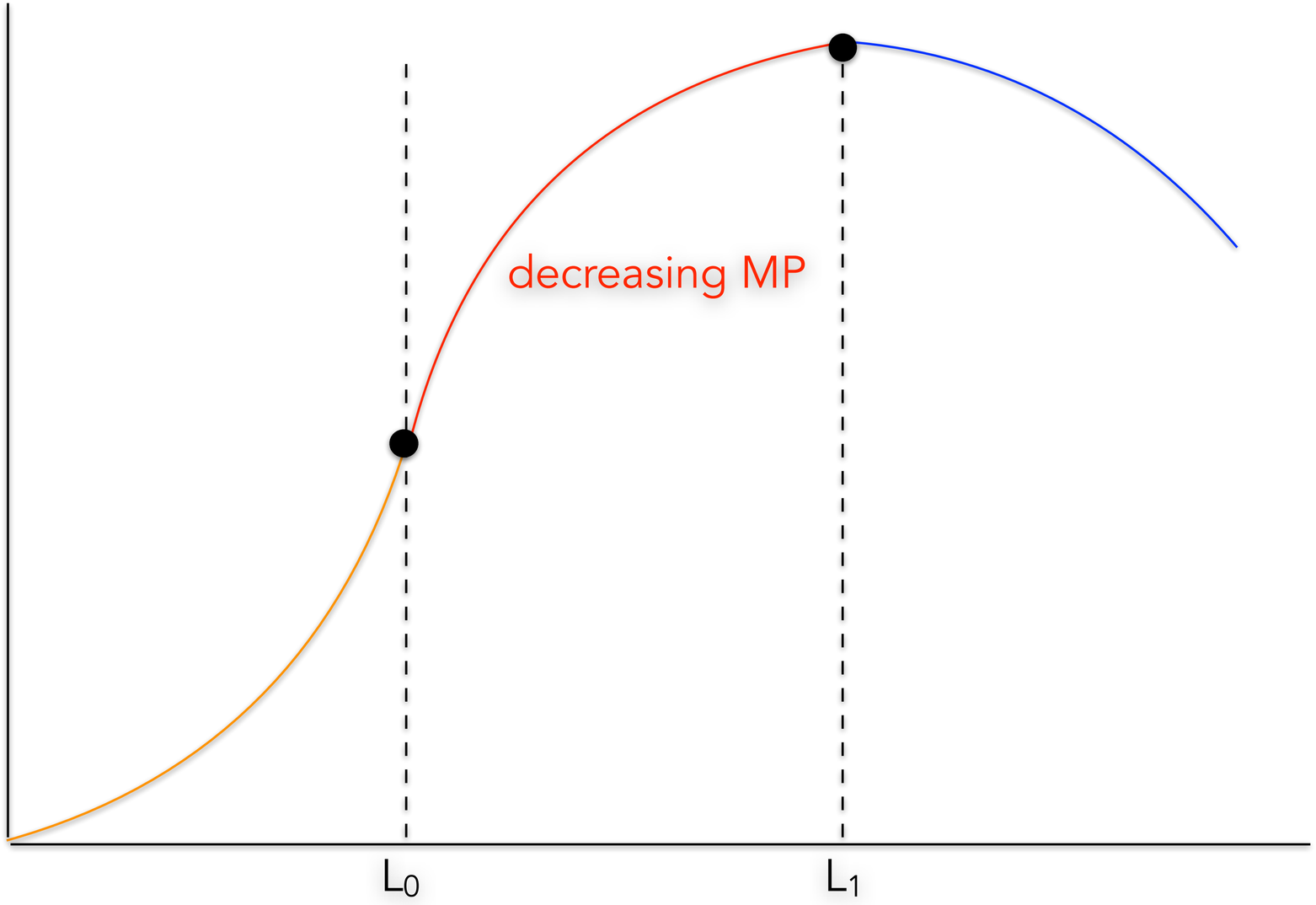
How many of these workers with decreasing MP should be hired?



These workers (up to worker L_0) will make everyone more productive

Deciding how many workers to hire…




decreasing MP
L_0
L_1