5

1

12

2

5

Worker #1

7

Worker

#1

6

Worker

#2

21

3

Total Product (TP)

Labor

6

Worker

#1

7

Worker

#2

7

Worker

#3


M


a

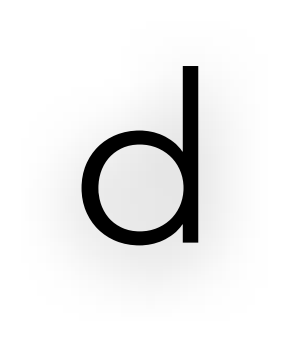
r


n

a

p

r



u

t

M

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C

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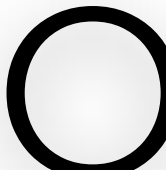

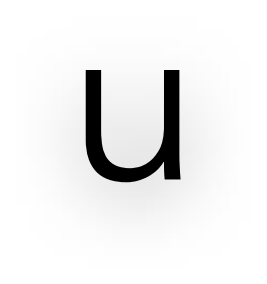

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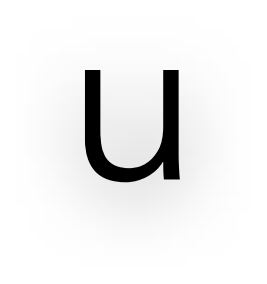
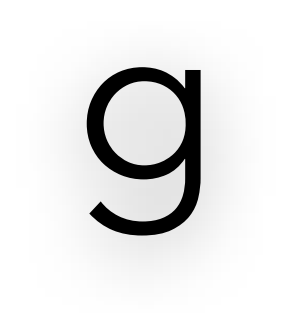


t

n



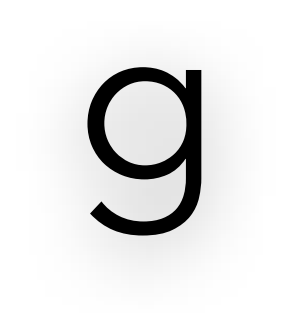
f

r

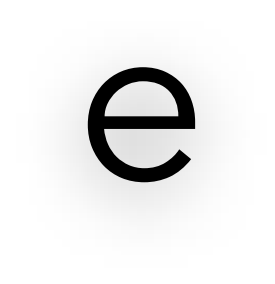
h

r

n



n



r

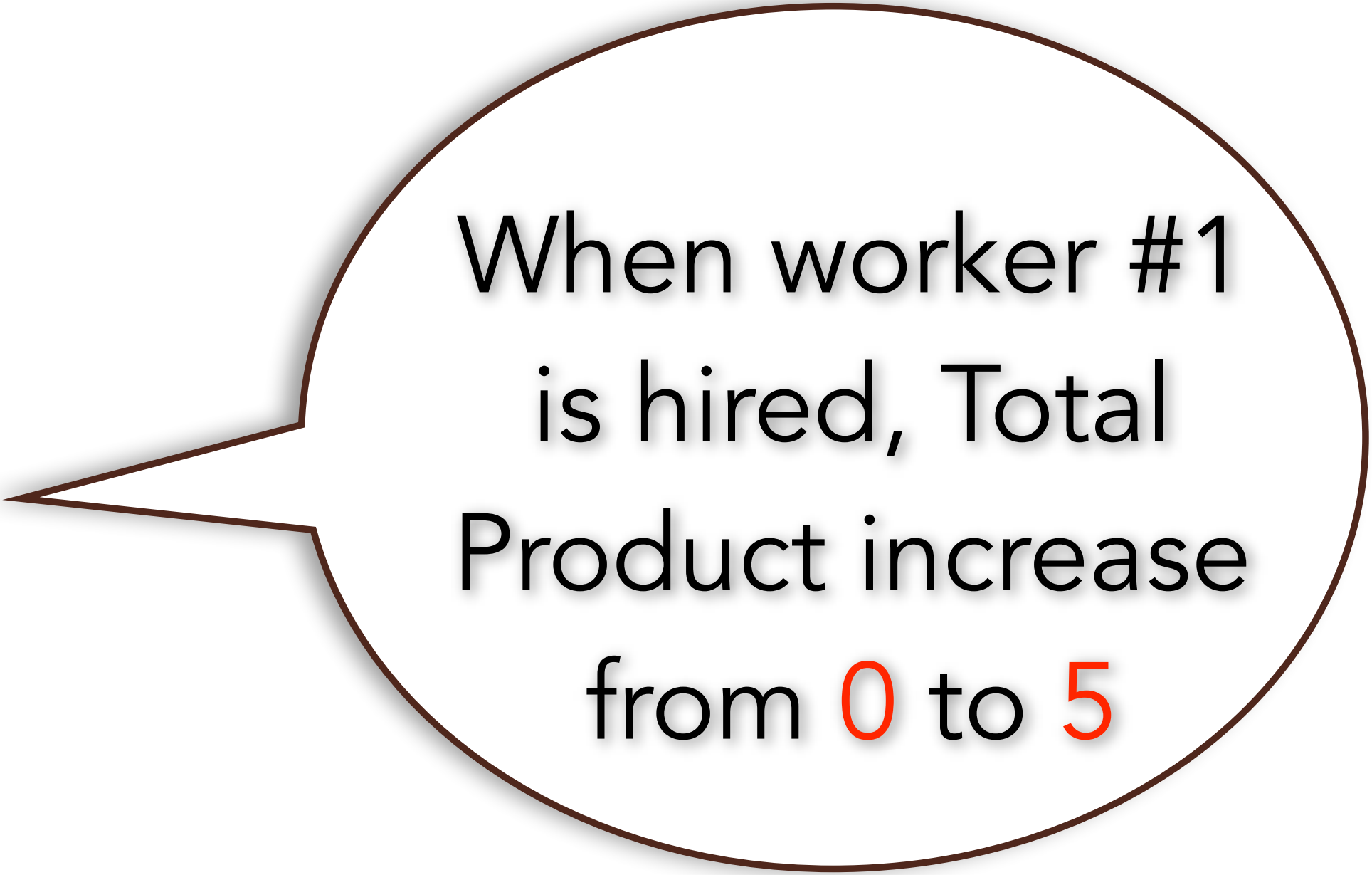
W

r

e

r

0


When worker #1 is hired, Total Product increase from 0 to 5

MP for worker
#1 = 5units

MP=5

Worker #1

When worker #2 is hired, Total Product increase from 5 to 12

MP for worker #2 = 7 units

MP=7

Worker #2

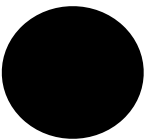

When worker #3 is hired, Total Product increase from 12 to 21

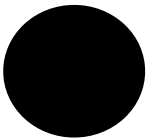
MP for worker #3 = 9units

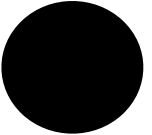
MP=9

Worker #3

# Workers	Total Product	Marginal Product
0	0	-
1	5	5 - 0 = 5
2	12	12 - 5 = 7
3	21	21 - 12 = 9



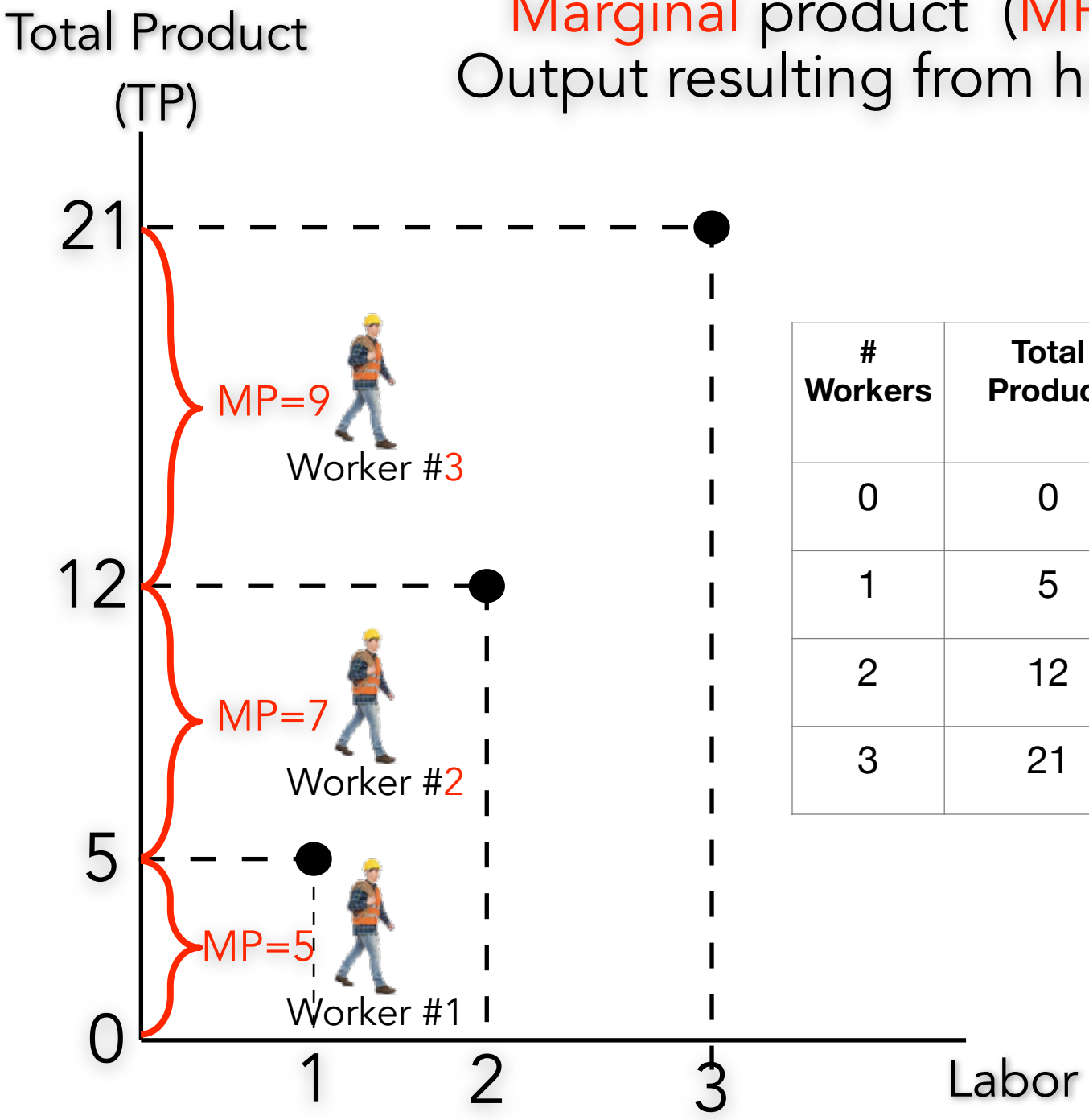





C

Marginal product (MP) = Increase in Output resulting from hiring one more worker

Marginal product (MP) = Increase in Output resulting from hiring one more worker



# Workers	Total Product	Marginal Product = Change in TP
0	0	-
1	5	5 - 0 = 5
2	12	12 - 5 = 7
3	21	21 - 12 = 9

What happens as we hire more workers?