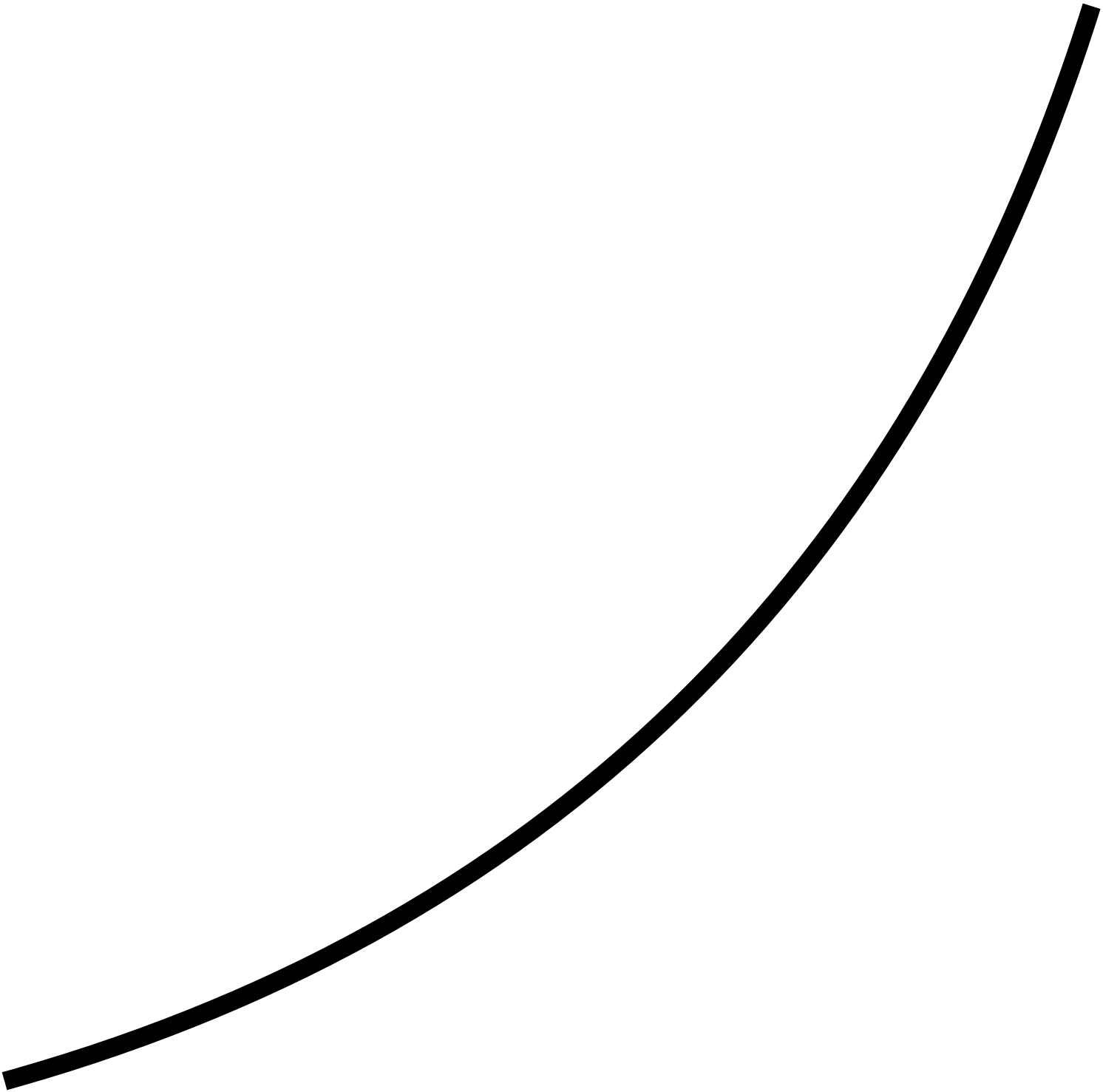
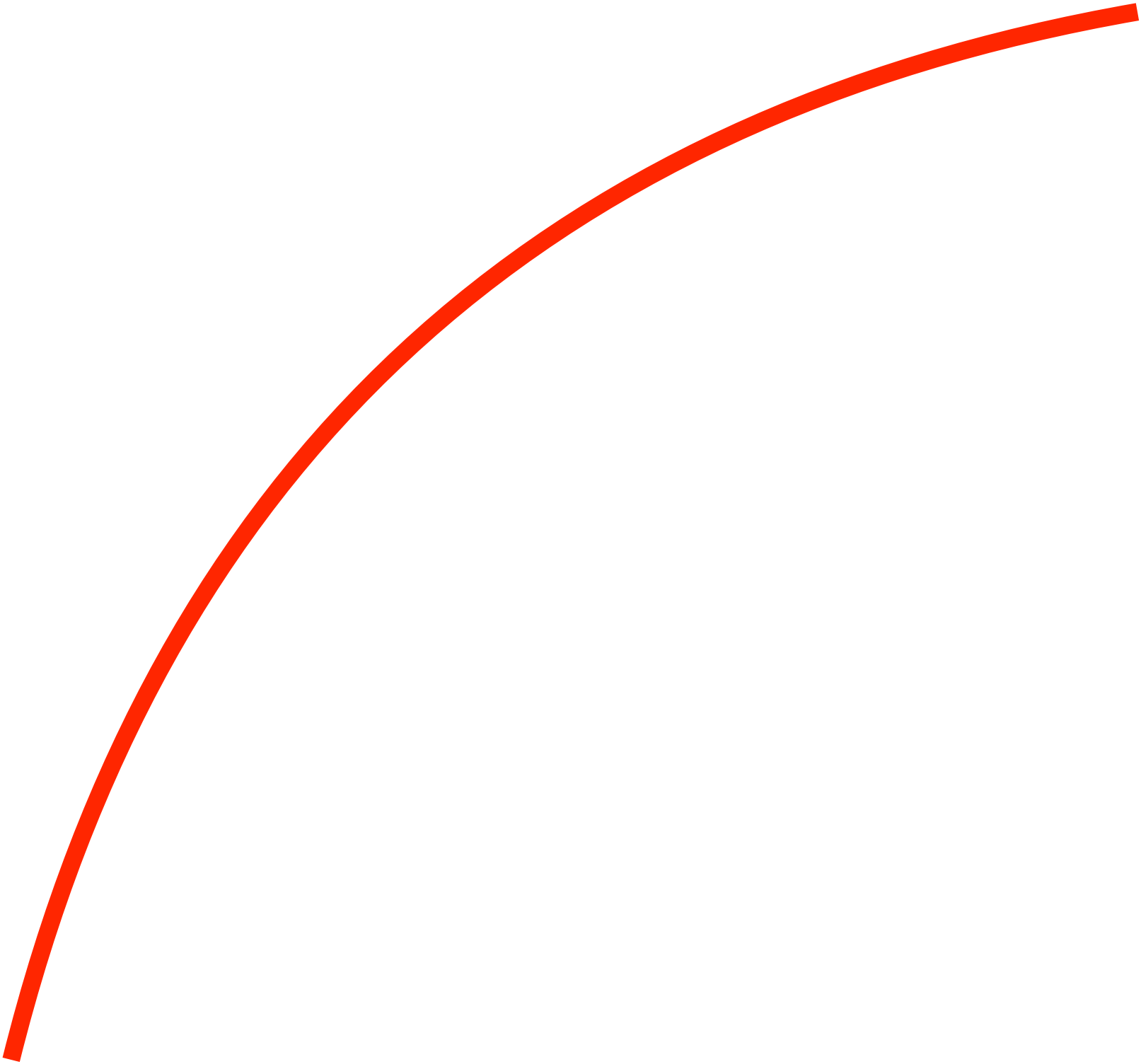
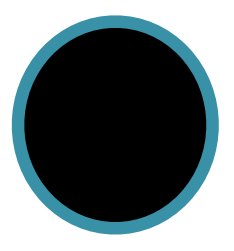
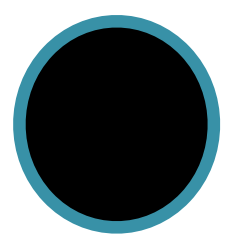
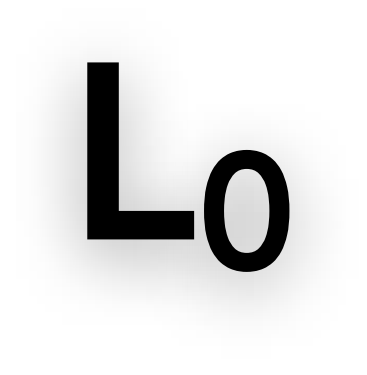








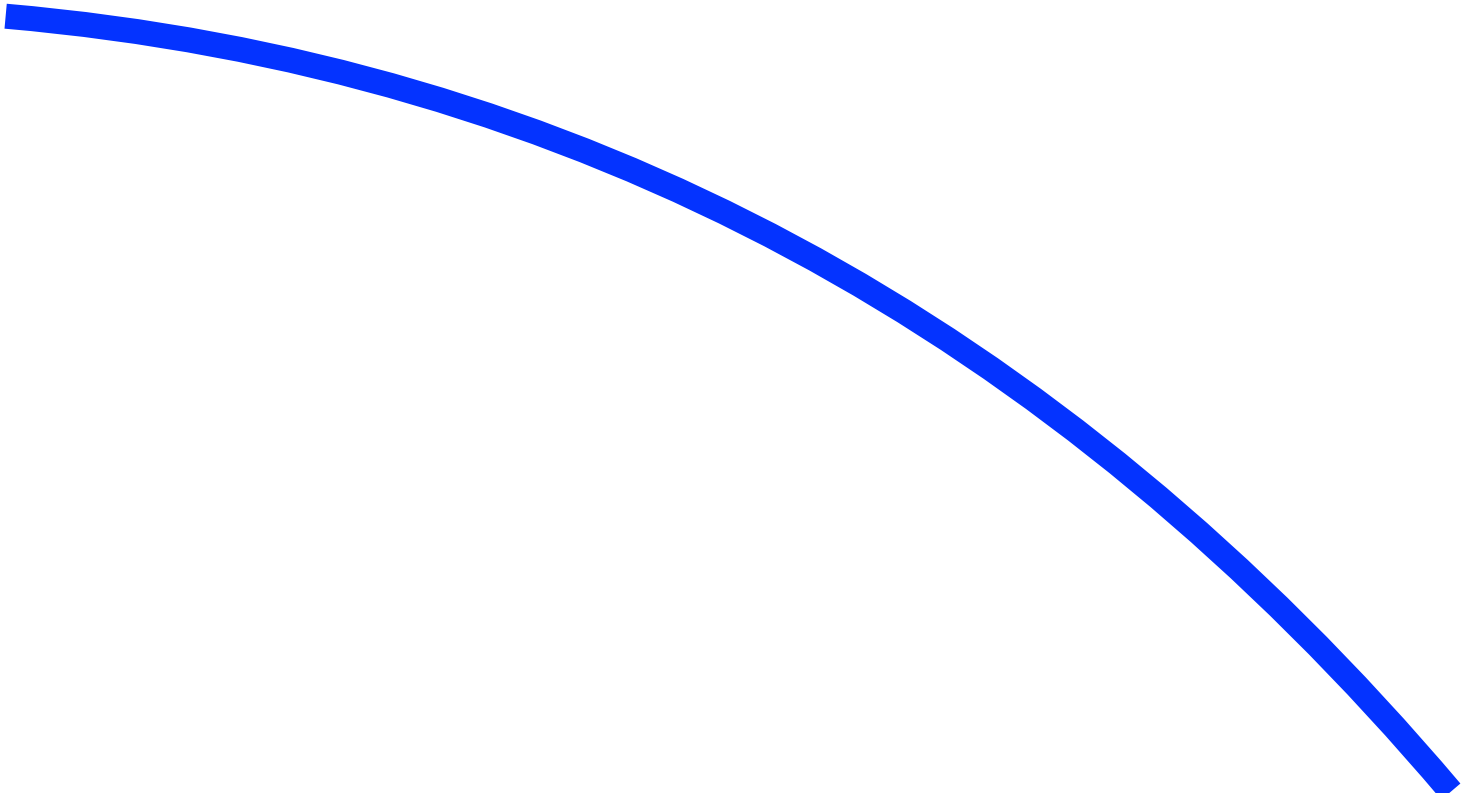

L0

L1

Deciding how many workers to hire…

Obviously hire all workers with increasing MP

Obviously do not hire any workers with negative MP



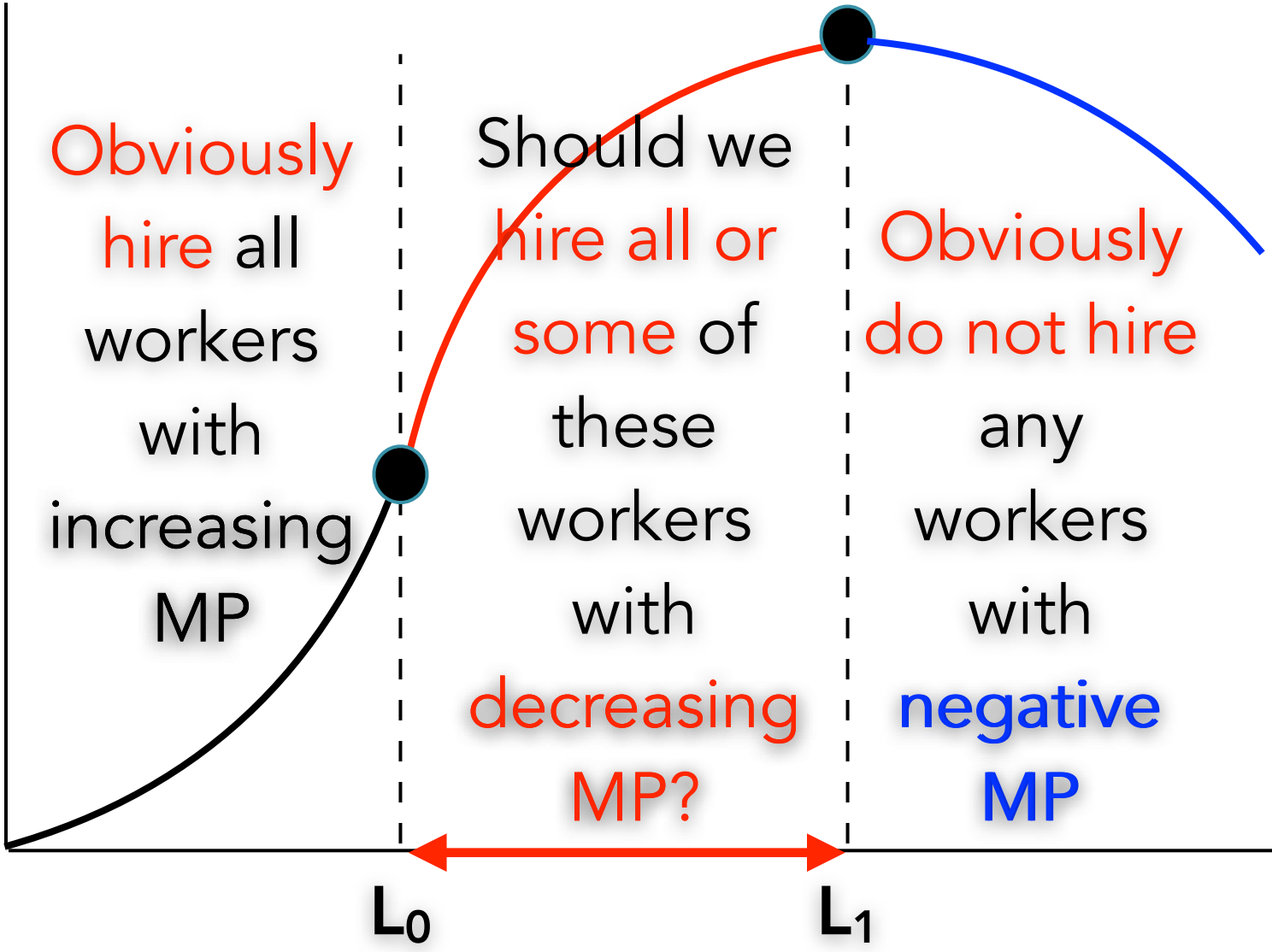
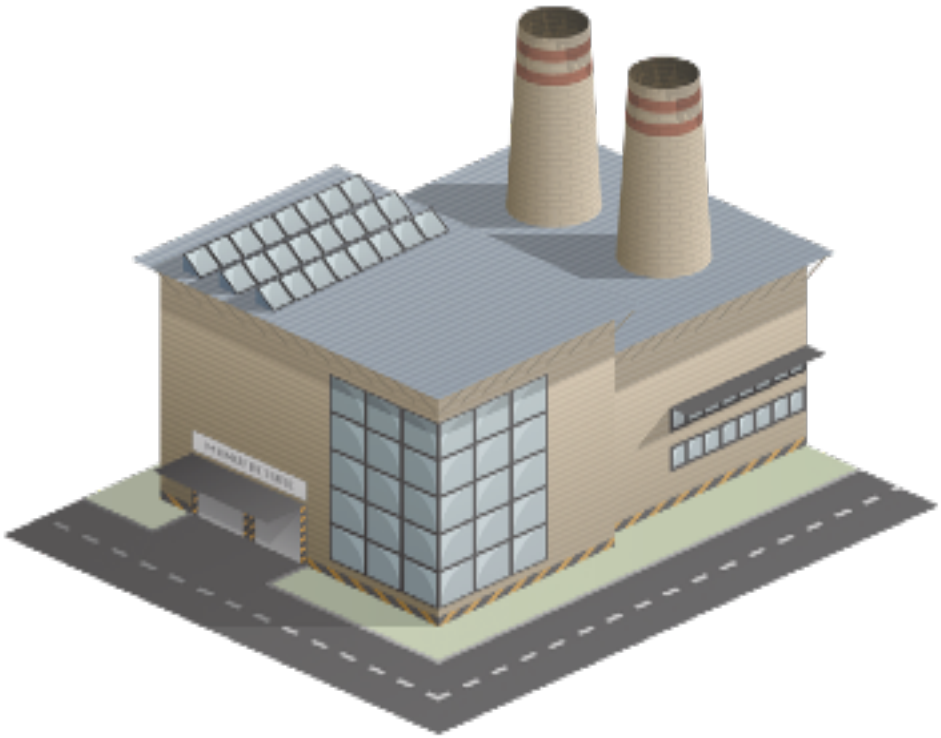
increasing MP

decreasing

MP?

negative

MP

Should we hire all or some of these workers with decreasing MP?

Deciding how many workers to hire…