









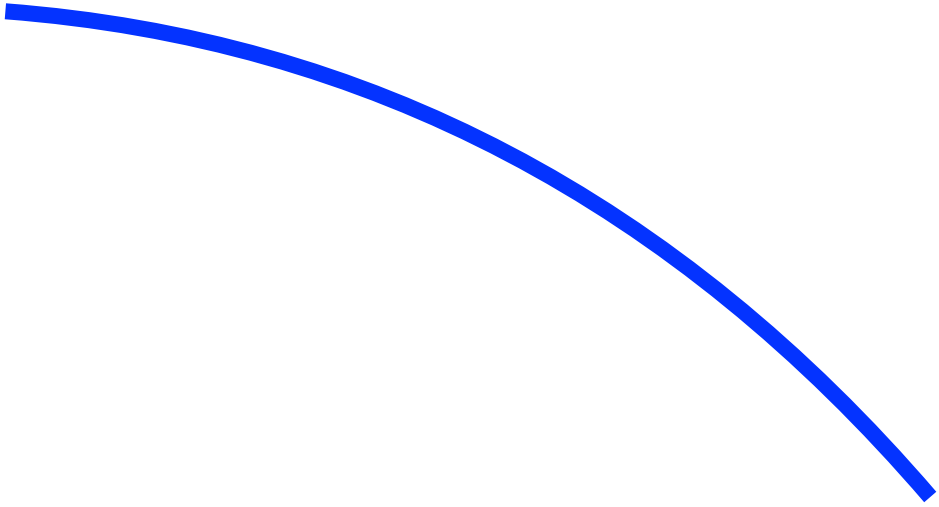
Lo



Deciding how many workers to hire...

Obviously
hire all
workers
with
increasing
MP

Obviously
do not hire
any workers
with
negative
MP




increasing

MP

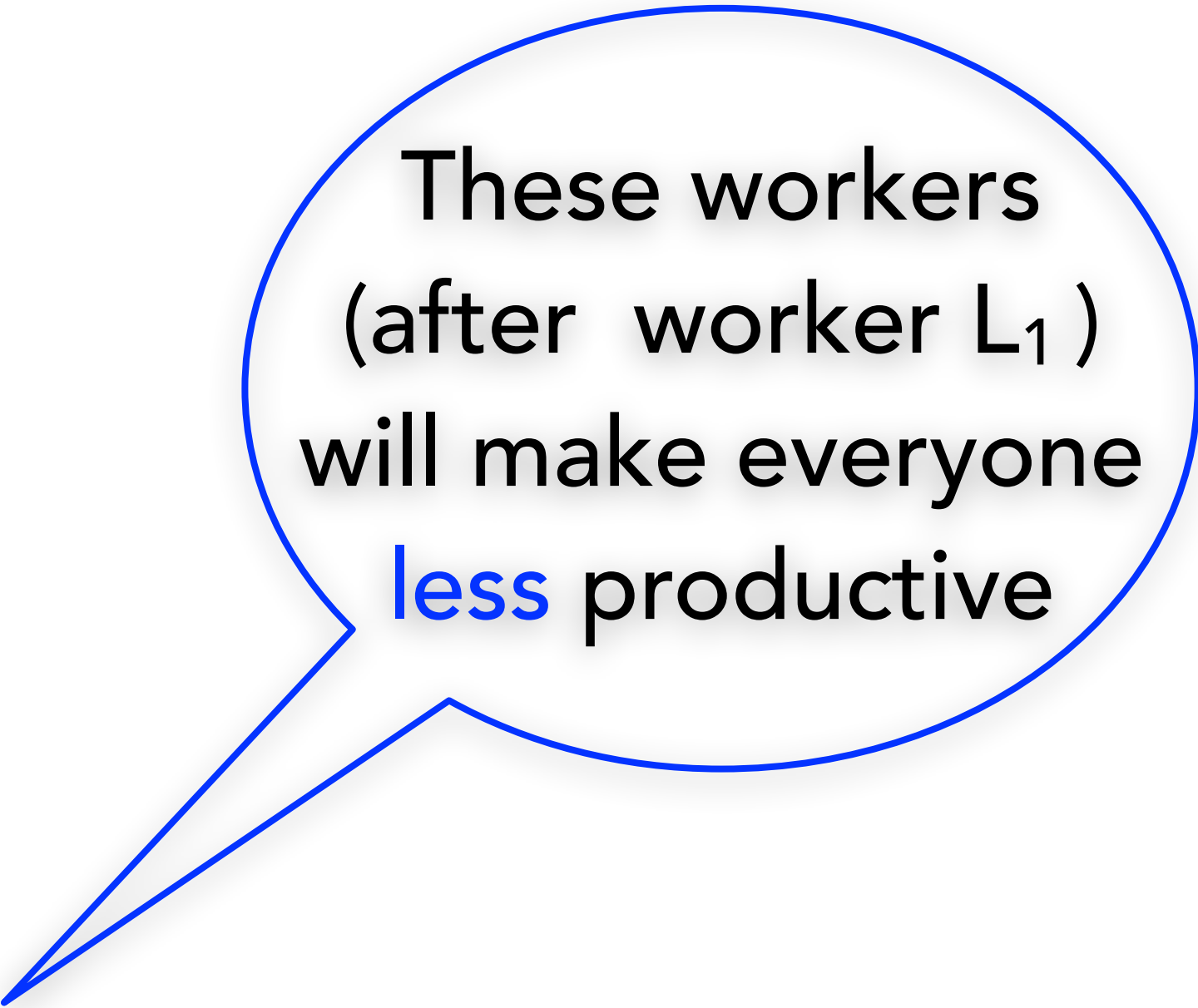
decreasing
MP

negative

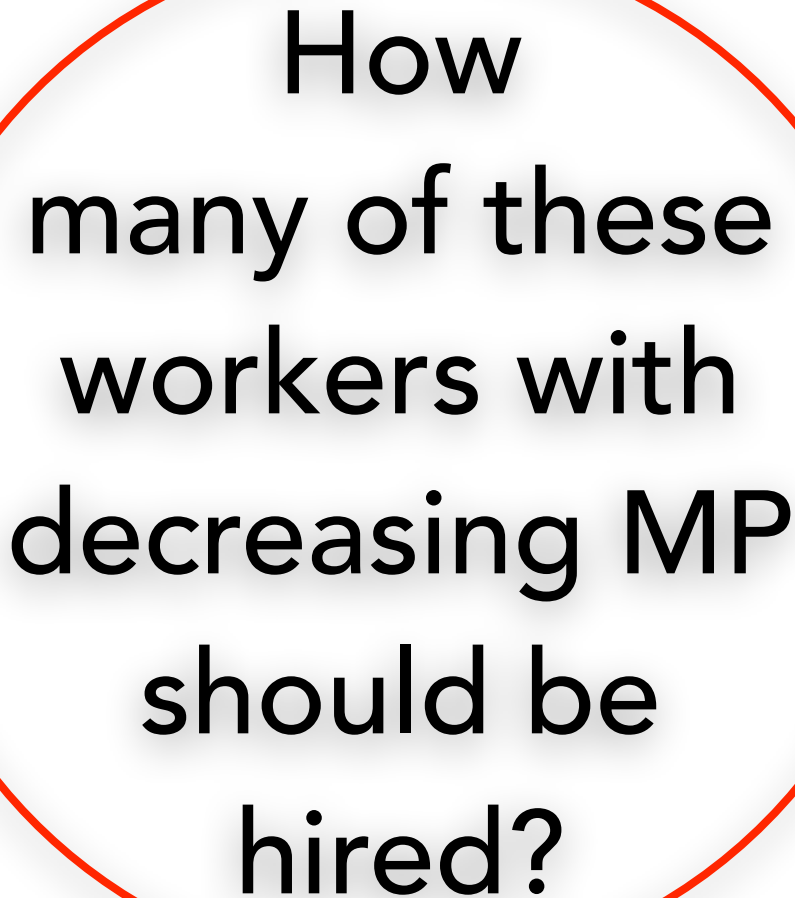
MP



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



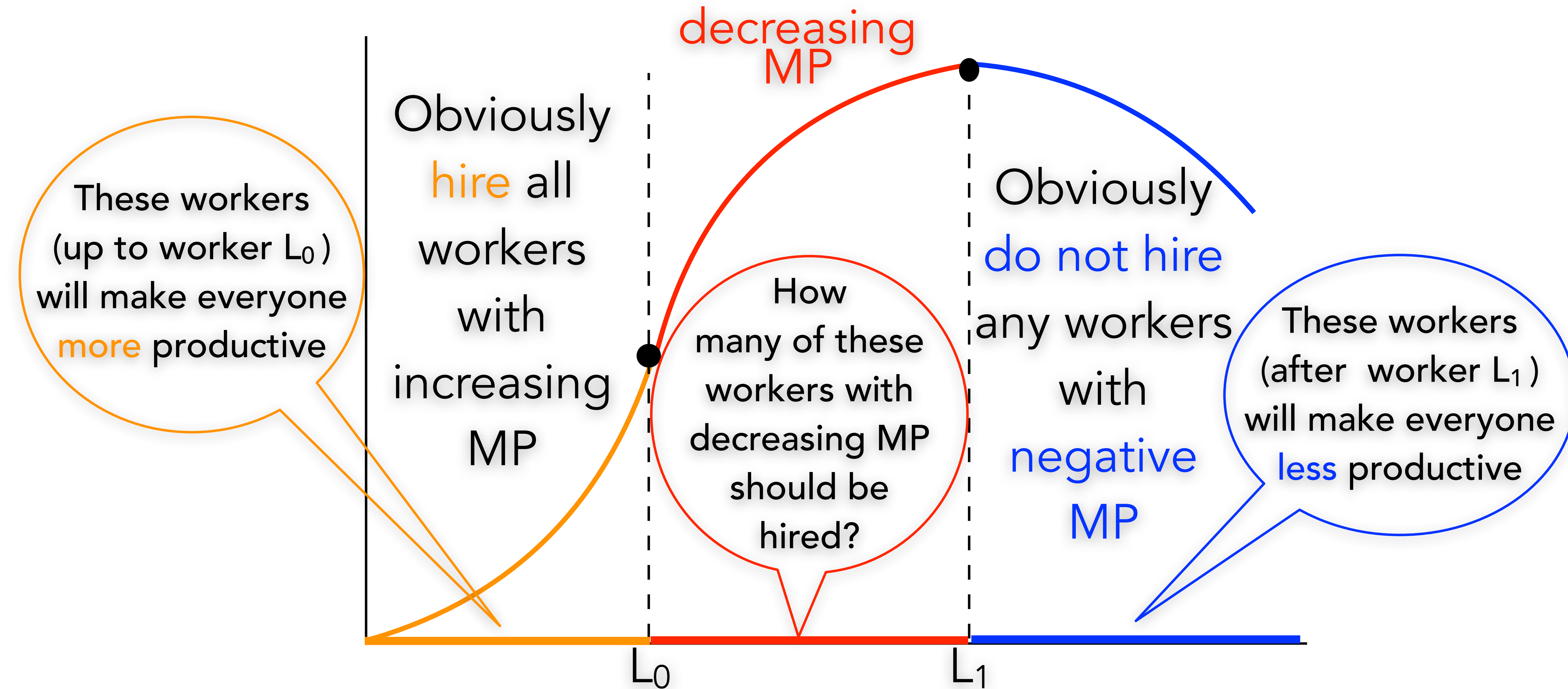
These workers
(after worker L_1)
will make everyone
less productive



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



Deciding how many workers to hire...



Optimum Mix of Labor and Capital

Chapter 7