

MP_{L2}

L_2

MP_{L3}



L_3

MP_{L1}

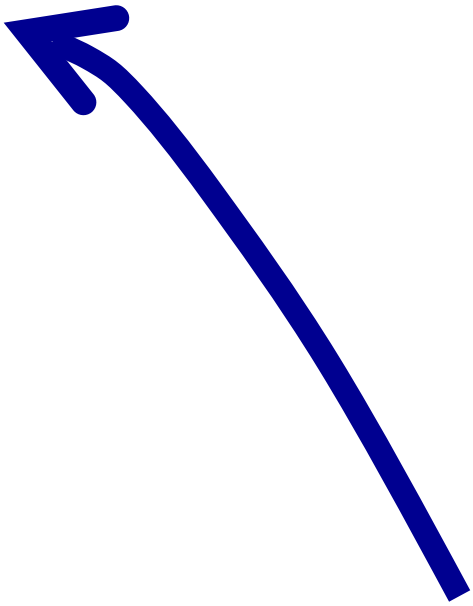


L₁



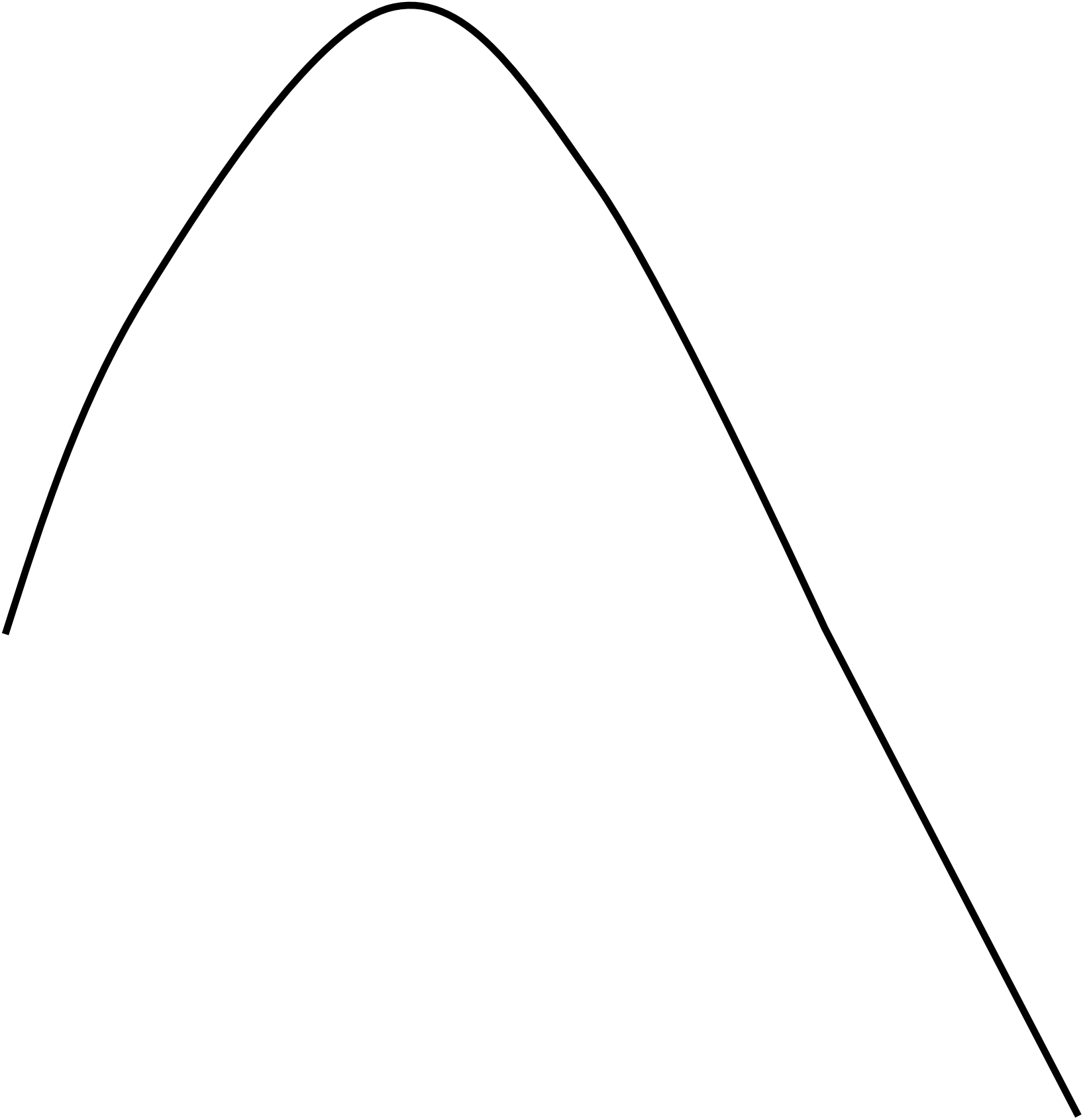
As the use of Labor increase,
 MP_{Labor} decrease











MP_{k2}



K_2

MP_{k3}

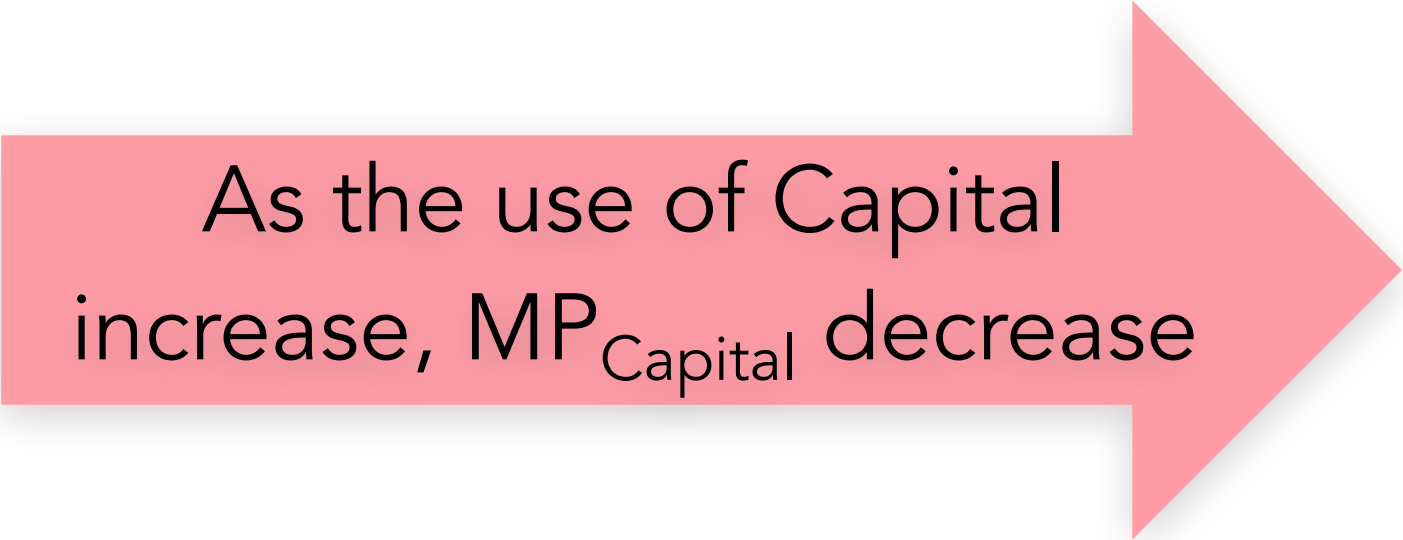


K_3

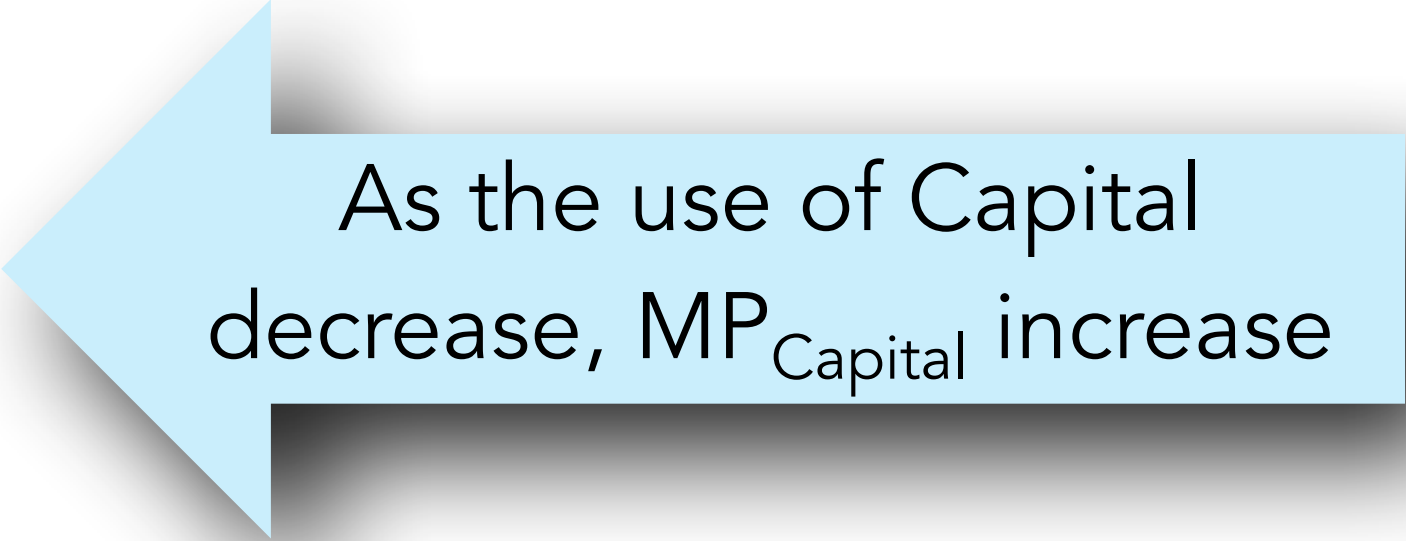
MP_{k1}



K_1

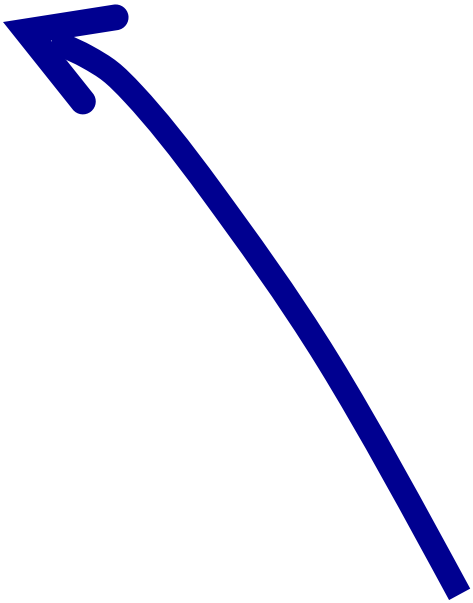


As the use of Capital
increase, MP_{Capital} decrease



As the use of Capital
decrease, MP_{Capital} increase







As the use of L decrease,
 MP_{Labor} increase

Once Diminishing Returns Set In...

The **more** an input is used, the **lower**
the Marginal Product of that input

MPL

MP_k

The **less** an input is used, the **higher**
the Marginal Product of that input

The **less** an input is used, the **higher** the Marginal Product of that input

