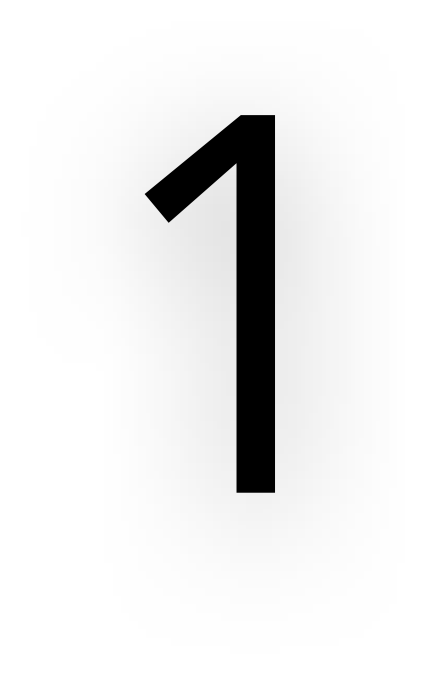
5



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

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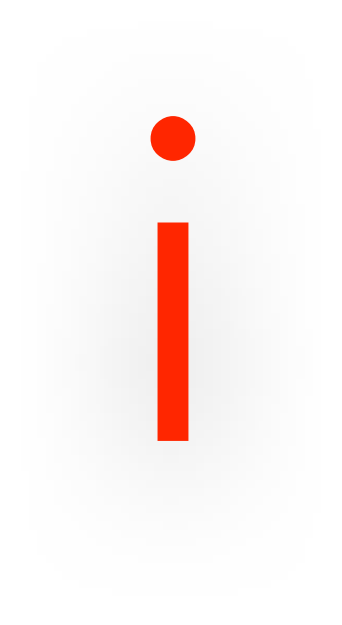

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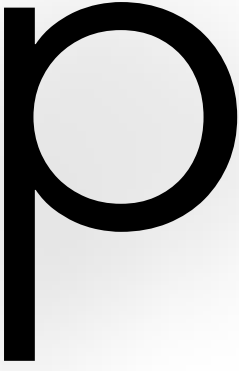

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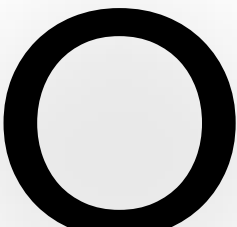

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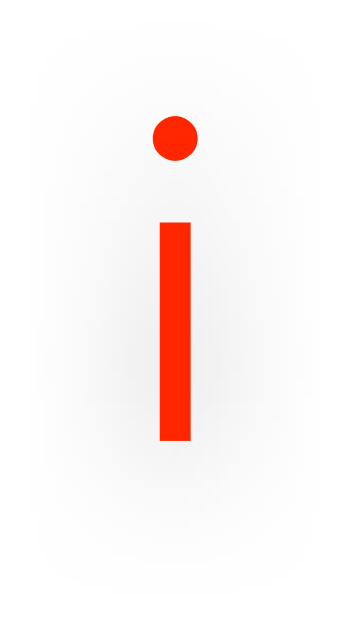

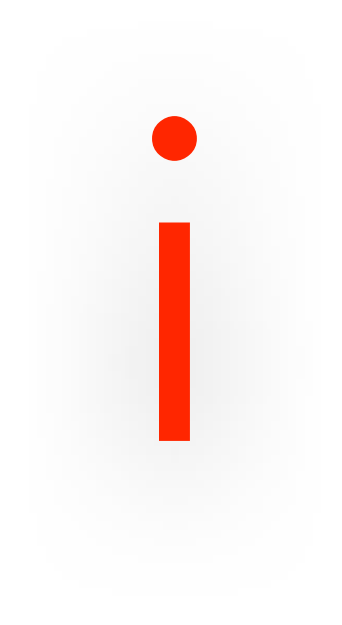

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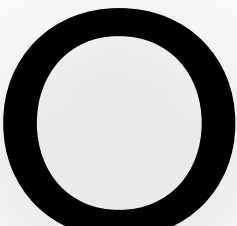

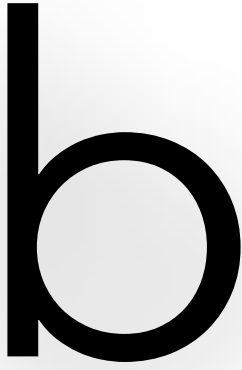

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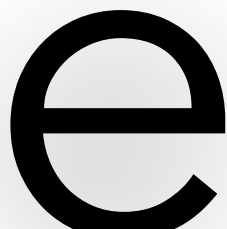

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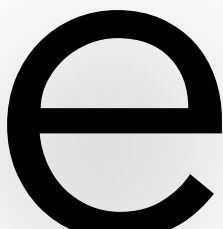

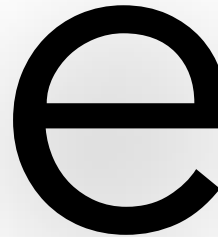

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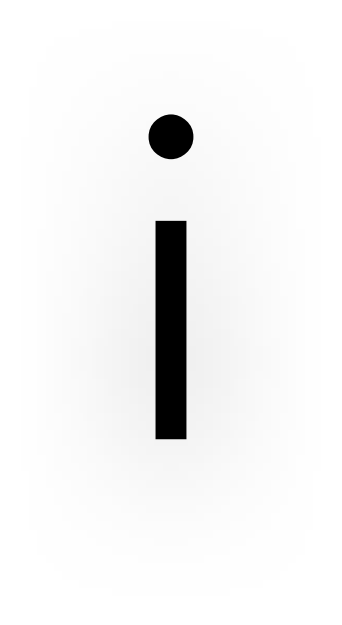

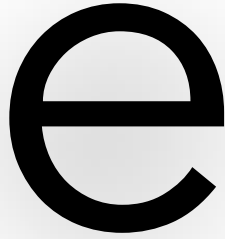

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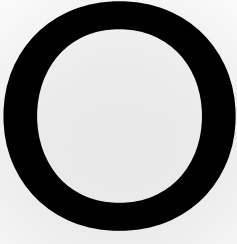

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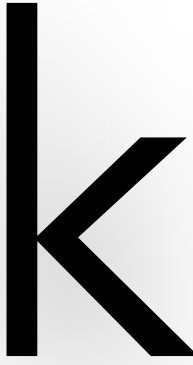

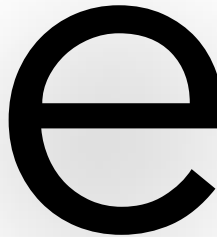

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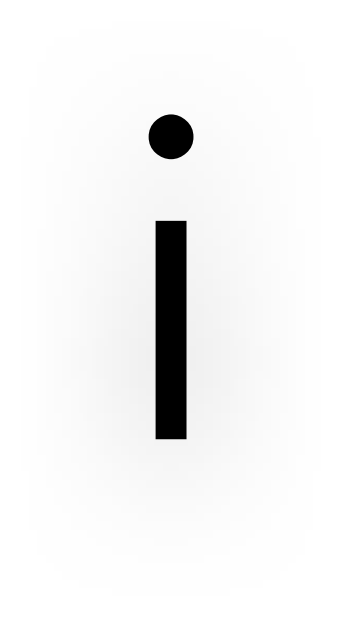

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0

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

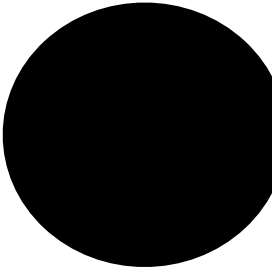
When worker #3 is hired, Total Product increase from 12 to 21

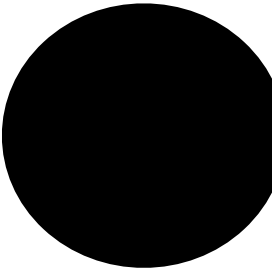
MP for worker #3 = 9units

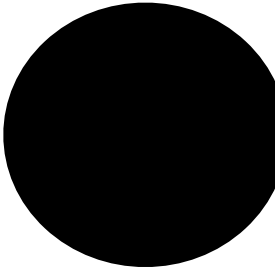
MP=9

Worker #3

# Workers	Total Product
0	0
1	5
2	12
3	21







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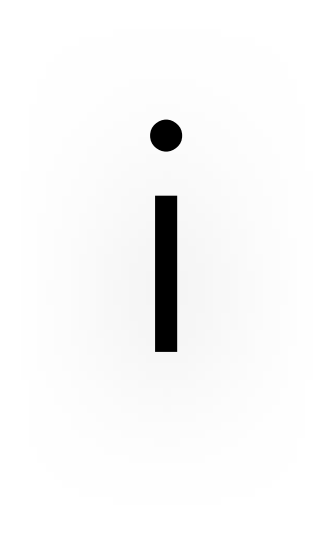

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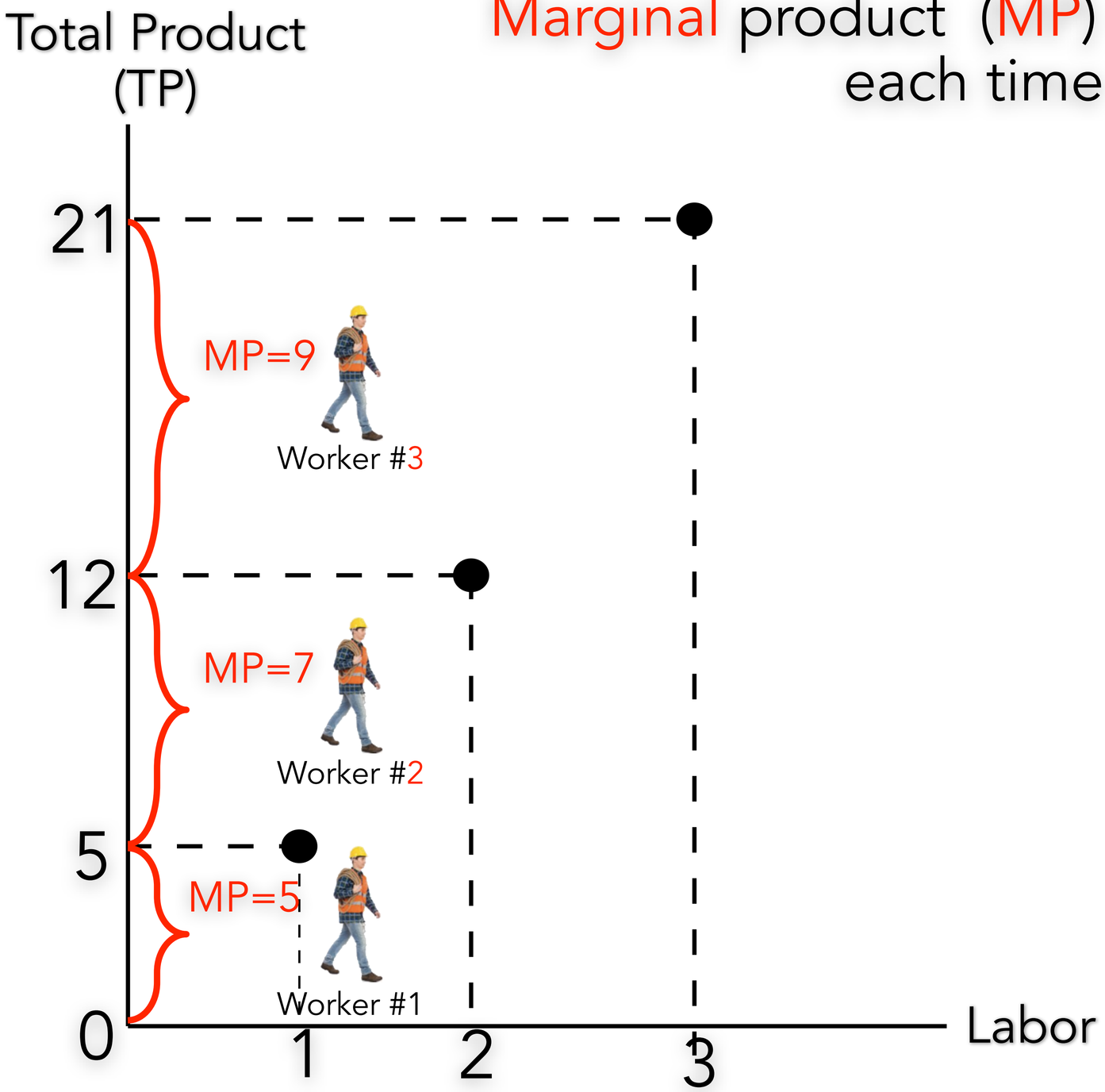
T

P

Marginal Product
-
5 - 0 = 5
12 - 5 = 7
21 - 12 = 9

Marginal product (MP) = increase in output observed each time a worker is hired

Marginal product (MP) = increase in output observed each time a worker is hired



# 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?