

Hire all workers for whom the MRP_L
> price of labor (P_L)

L



2

3

4

5

6

0

MP_L

692

288

220

184

166

142

How many **workers** should be hired?

$$692 \times 5$$

$$288 \times 5$$

$$220 \times 5$$

$$184 \times 5$$

$$166 \times 5$$

$$142 \times 5$$

MRP_L







U



























U





U















5



U







b























2









W















W







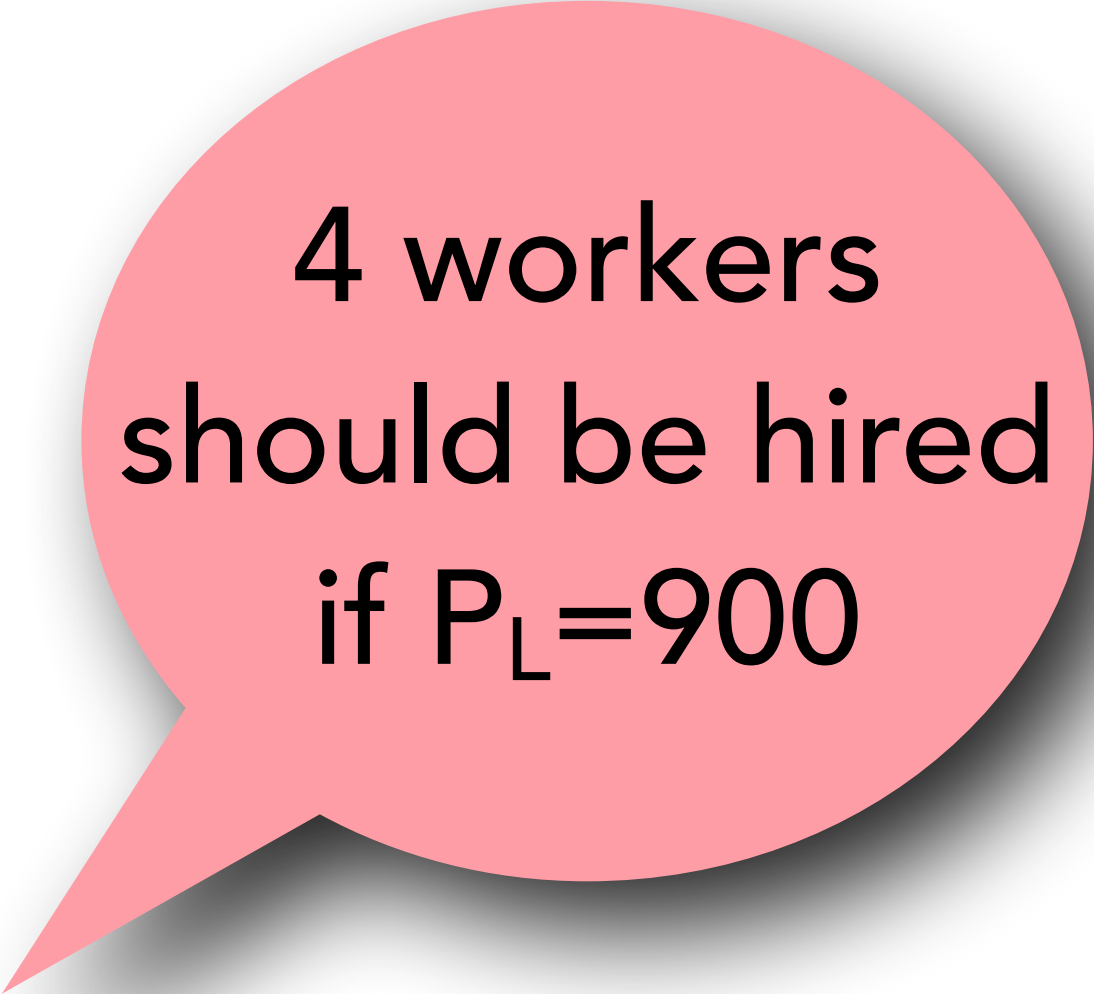


Hire all workers for whom the MRP_L

$> \$900$

3460
1440
1100
920
830
710

MRPL

A pink speech bubble with a white shadow, containing text.

4 workers
should be hired
if $P_L=900$

Assume the price of
Output is still \$5/unit but
the price of Labor (Wage)
is now \$900



>9000

Hire worker 1

>900

Hire worker 1

>9000

Hire worker 2

>900

Hire worker 1

>900

Hire worker 2

>9000

Hire worker 3

>900

Hire worker 1

>900

Hire worker 2

>900

Hire worker 3

>9000

Hire worker 4

>900

Hire worker 1

>900

Hire worker 2

>900

Hire worker 3

>900

Hire worker 4

<9000

Do not hire

>900

Hire worker 1

>900

Hire worker 2

>900

Hire worker 3

>900

Hire worker 4

<900

Do not hire

<9000

Do not hire

>900

Hire worker 1

>900

Hire worker 2

>900

Hire worker 3

>900

Hire worker 4

<900

Do not hire

<900

Do not hire

Assume the price of Output is still \$5/unit but the price of Labor (Wage) is now \$900

How many workers should be hired?

L	M	MRP _L		
0				
1		60	>900	Hire worker 1
2	2	440	>900	Hire worker 2
3	220	220 x 5 = 1100	>900	Hire worker 3
4	184	184 x 5 = 920	>900	Hire worker 4
5	166	166 x 5 = 830	<900	Do not hire
6	142	142 x 5 = 710	<900	Do not hire

Hire all workers for whom the MRP_L
> price of labor (P_L)
Hire all workers for whom the MRP_L
> \$900

L	MP _L	MRP _L	MRP _L
0			
1	692	692 x 5	3460
2	288	288 x 5	1440
3	220	220 x 5	1100
4	184	184 x 5	920
5	166	166 x 5	830
6	142	142 x 5	710

Demand for Labor

P _L	L