

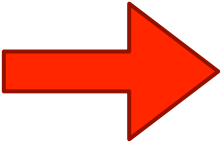




More tools improve workers' productivity:

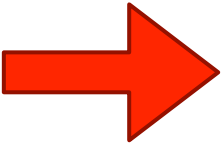
• Additional tools and equipment make jobs easier, faster and workers more productive

• Once each worker has all the necessary machines and tools available, giving them more tools will no longer increase their productivity



The Marginal Product of Capital
increase as the use of capital increase

What happens as we give more tools to
workers?



Eventually, the Marginal Product of Capital
decrease as the use of capital increase

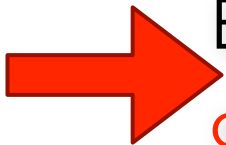
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In the Short Run