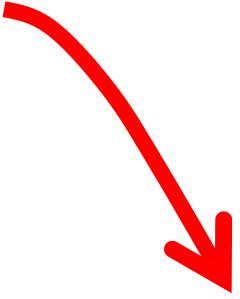


MP_{Labor} Eventually Decrease





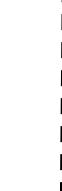




As the firm brings in more workers (L)

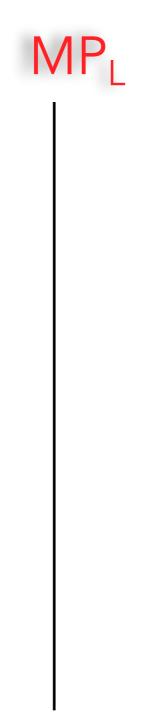
To Increase Production in the Short Run

MP_{L3}



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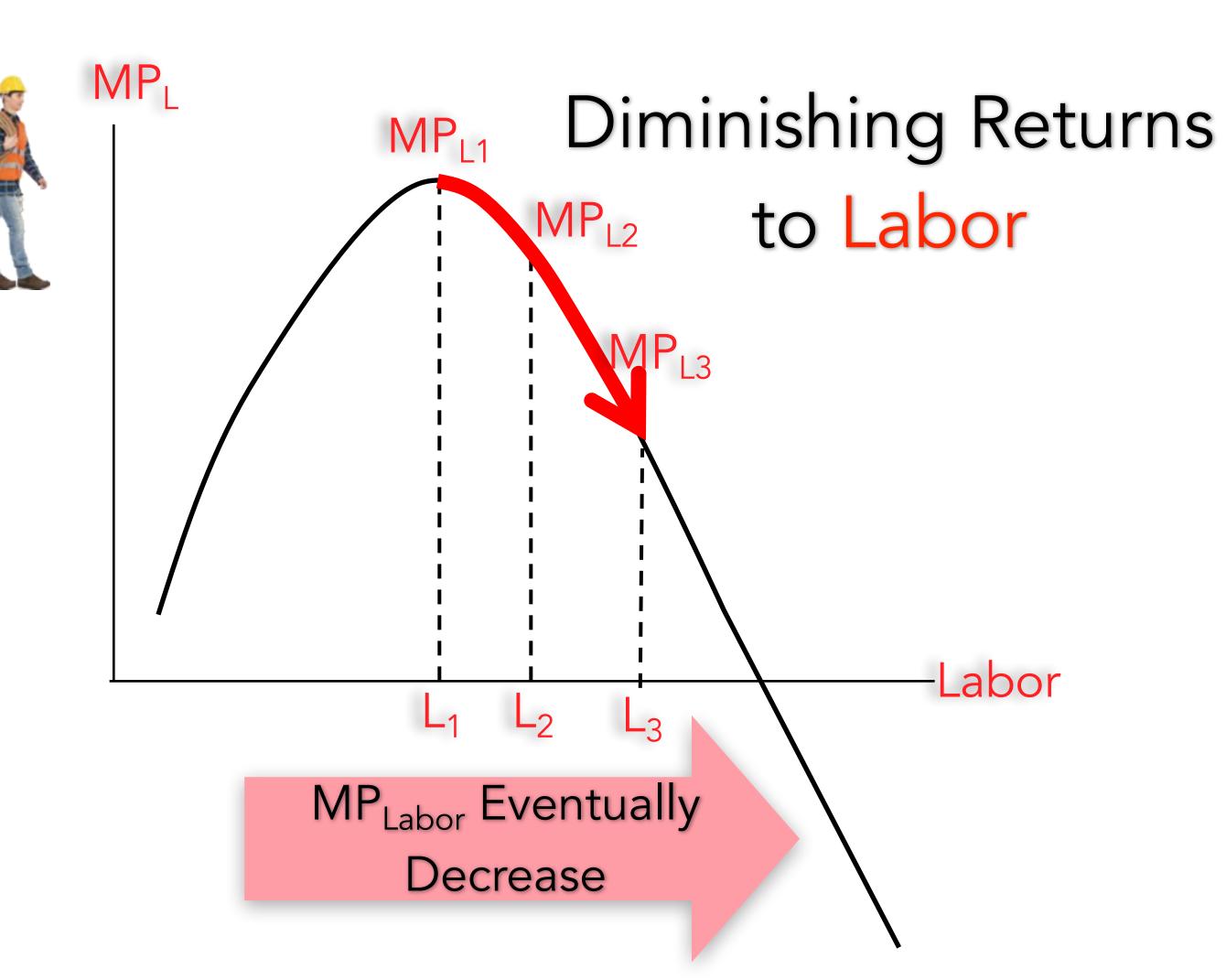
Diminishing Returns to Labor



To Increase Production in the Short Run

As the firm brings in

more workers (L)



What happens as the firm brings in more capital?