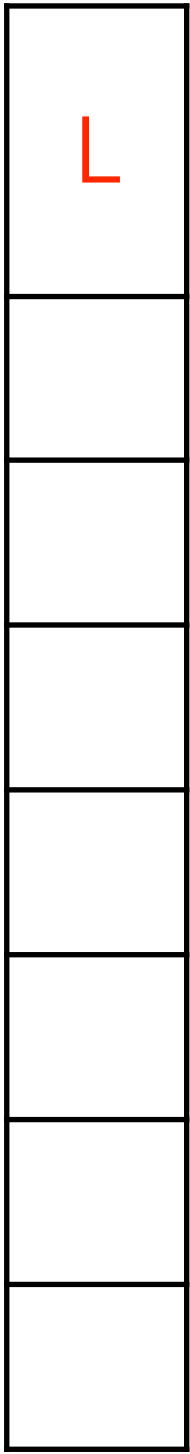
Hire all workers for whom the MRP_L > price of labor (P_L)


L

2


3


4


5


6

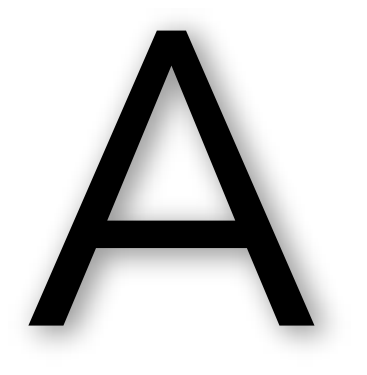
0

MP_L
692
288
220
184
166
142

How many workers should be hired?

692 x 5
288 x 5
220 x 5
184 x 5
166 x 5
142 x 5

MRP$_L$

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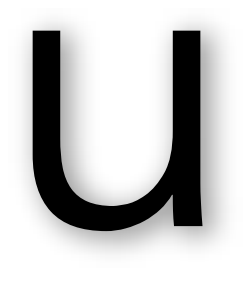

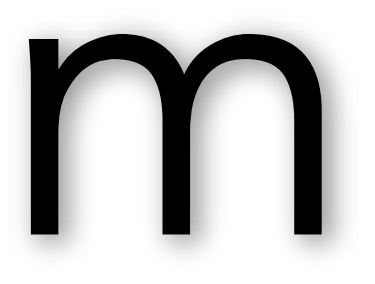

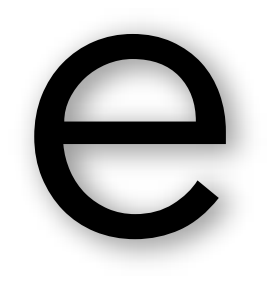

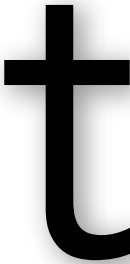

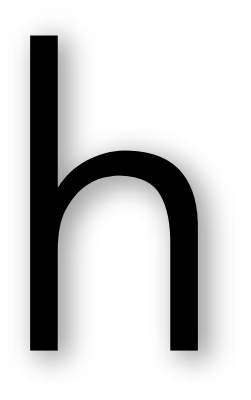

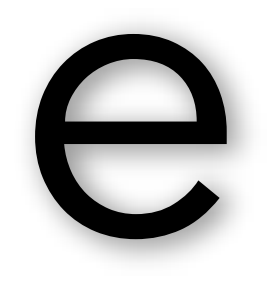

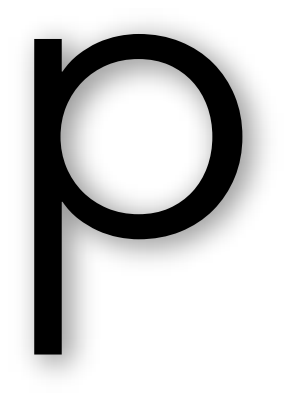

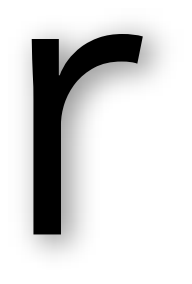

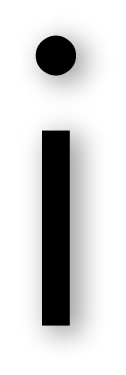

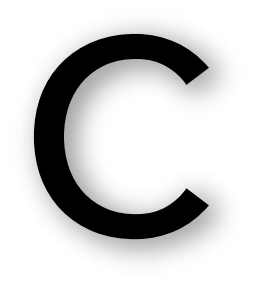
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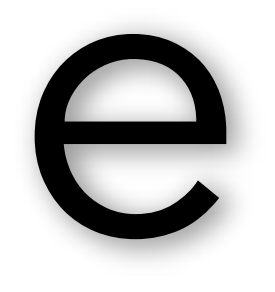

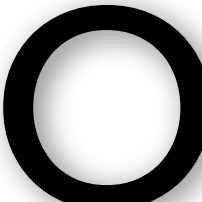

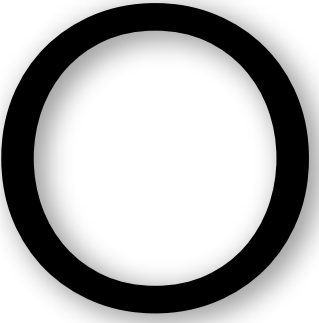

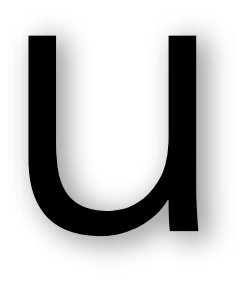

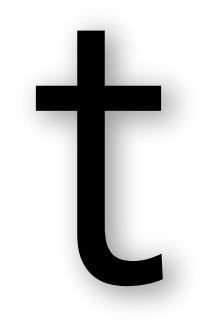

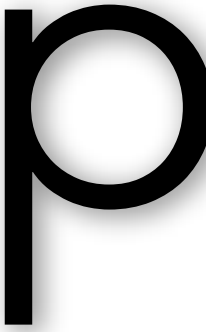

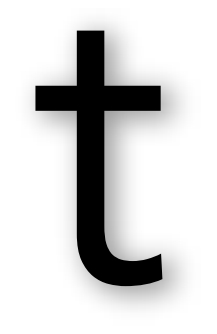


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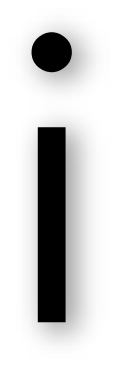


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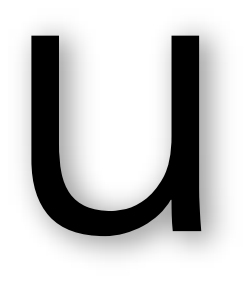

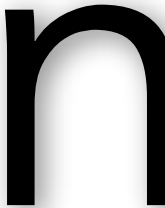

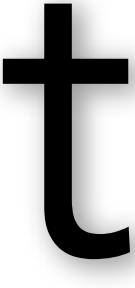

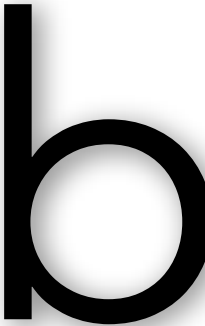

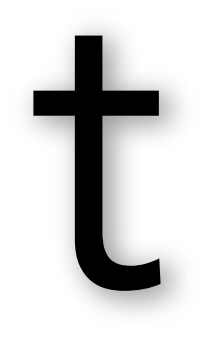

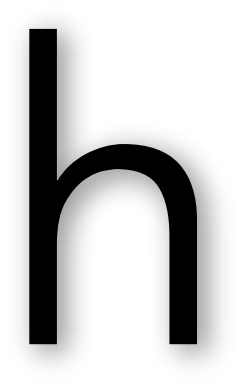

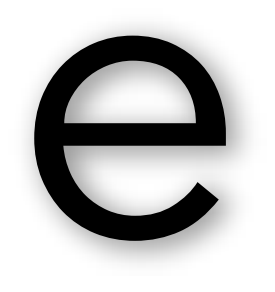

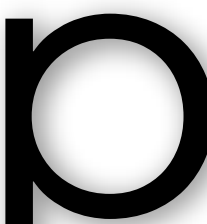

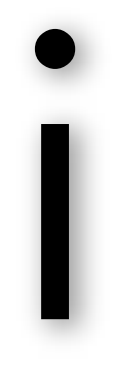

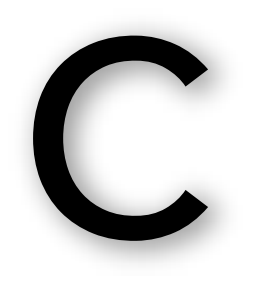

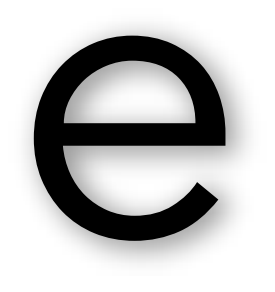

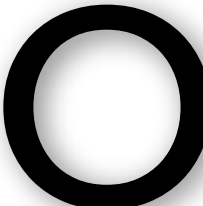

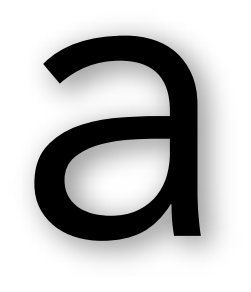
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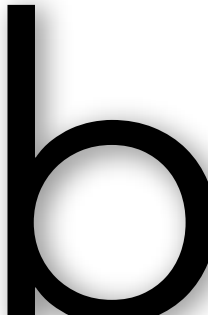

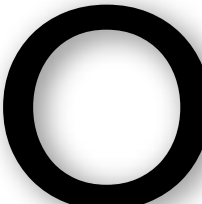

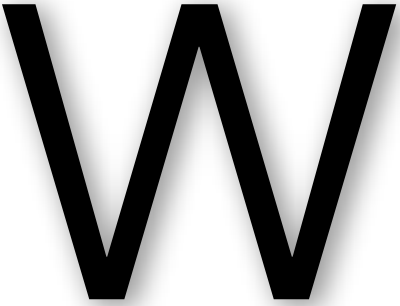

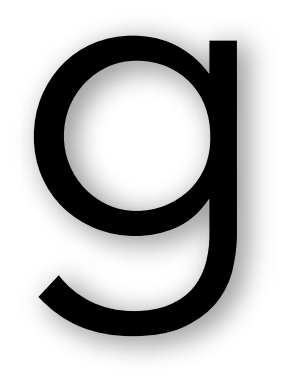

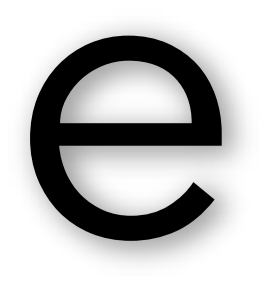

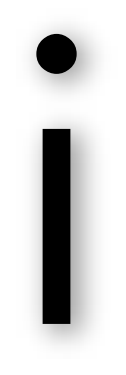


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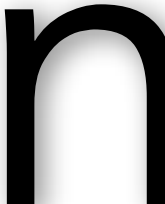

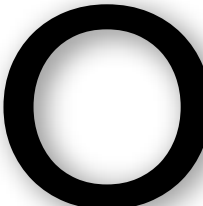

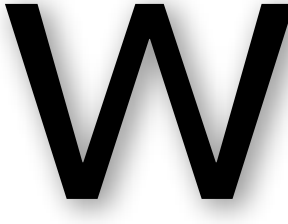


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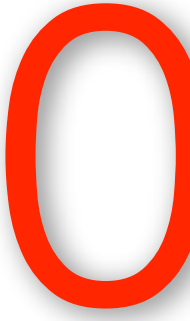

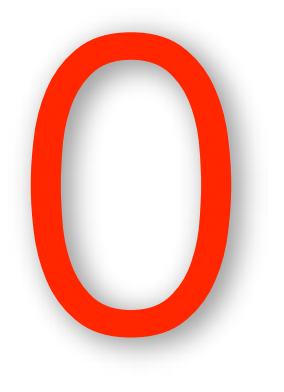

Hire all workers for whom the

$MRP_L > \$900$

3460
1440
1100
920
830
710


MRP
L

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

>900	Hire worker 1

>900	Hire worker 1

>900	Hire worker 2

>900	Hire worker 1
>900	Hire worker 2

>900	Hire worker 3

>900	Hire worker 1
>900	Hire worker 2
>900	Hire worker 3

>900	Hire worker 4

>900	Hire worker 1
>900	Hire worker 2
>900	Hire worker 3
>900	Hire worker 4

<900	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

>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	MP	TRP	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

4 workers should be hired if P_L=900

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