

How many **workers** should be hired?

L	Total Product
0	0
1	692
2	980
3	1200
4	1384
5	1550
6	1692


Hire a worker if the revenue
s/he generates exceeds

Price of Labor: wage

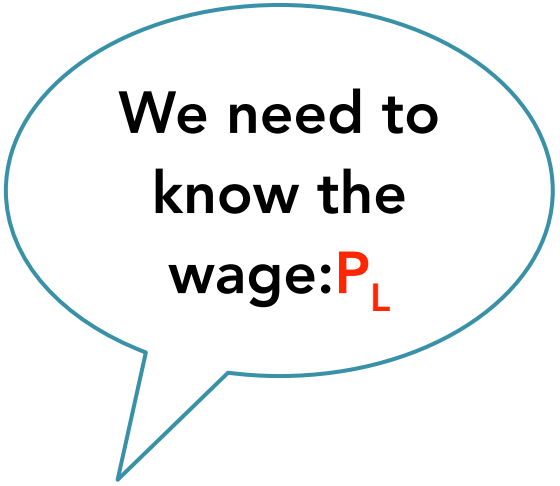
If MRP \geq P, hire

If $MRP_L < P_L$ do not hire

Do not hire a worker if the
revenue s/he generates is less
than Price of Labor: wage



**We need to
calculate the
 MRP_L**



**We need to
know the
wage: P_L**

If we have n machines: $K = n$



If we have 6 machines: $K = 6$

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