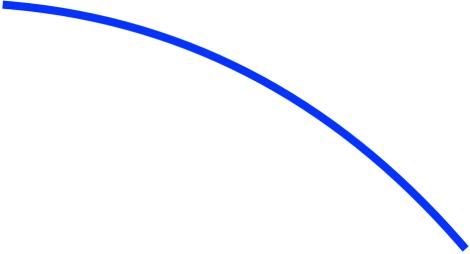




Deciding how many workers to hire...

Obviously hire all workers with increasing MP

Obviously do not hire any workers with negative MP



increasing MP

decreasing MP

negative MP

These workers

(up to worker L₀)

will make everyone

more productive

These workers

(after worker L₁)

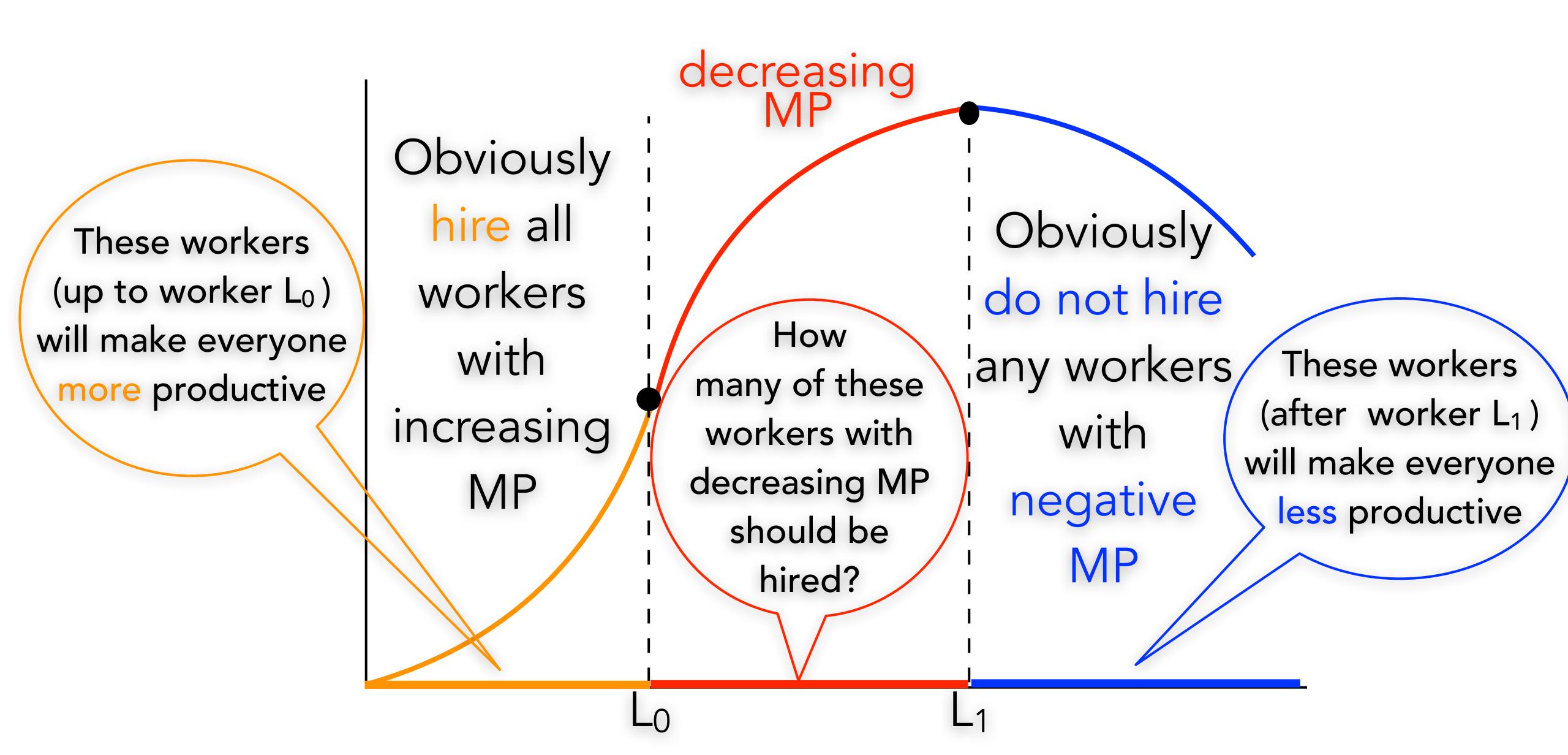
will make everyone

less productive

How many of these workers with decreasing MP should be hired?



Deciding how many workers to hire...



Optimum Mix of Labor and Capital

Chapter 7