







\$2

pound



\$1

pound



\$0.66



pound

\$0.5



pound

\$0.4

pound





\$0.5

pound



\$1

pound

\$2

pound



Cost per unit





Cost per unit decrease (when MP increase)

and then increase (once the MP decrease)

Pounds of Coffee Produced





Decreasing Returns to  
Labor set in

\$0.66

pound



Cost per unit

Cost per unit decrease (when MP increase)  
and then increase (once the MP decrease)





