



1

2

3

4

5

6

7

8

9

10

11

12







Output









i | \$0.40 MC<sub>5</sub>

Decreasing Returns  
to Labor set in:



5



\$0.50 MC<sub>6</sub>

6



\$0.66 MC<sub>7</sub>

7



\$1  $MC_8$

8



\$2 MC<sub>9</sub>



4.56



5.06



6.72



5.72



8.72



Variable Cost

Cost per unit **rise** as the  
Marginal Product  
**decrease**

Marginal Cost rise as the  
Marginal Product  
decrease



Variable Costs increase with  
increasing slope

# Marginal Cost

Variable Cost

8.72

6.72

5.72

5.06

4.56

5

6

7

8

9

Output

\$2  $MC_9$

Variable Costs **increase** with  
**increasing** **Marginal Cost**

\$1  $MC_8$

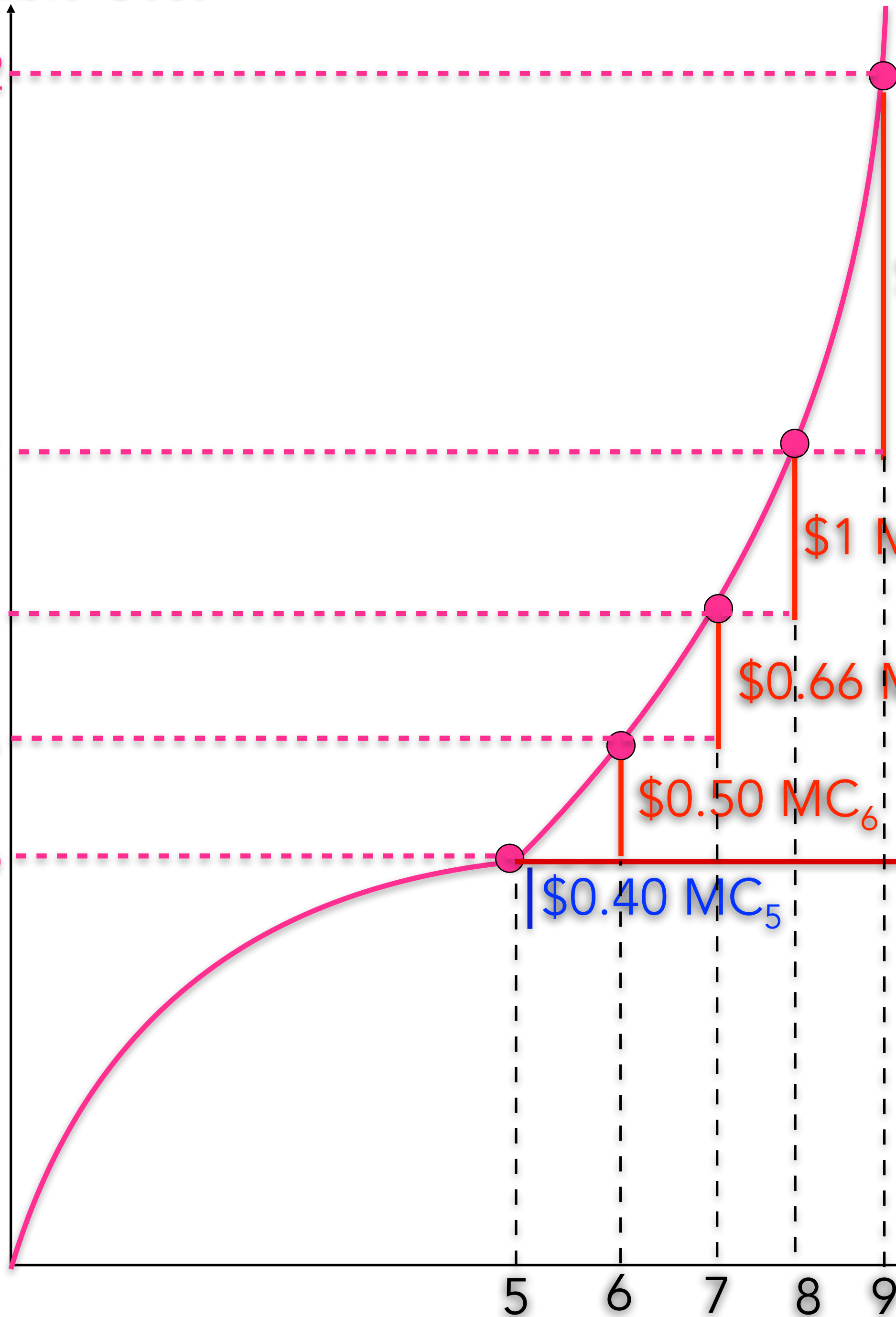
\$0.66  $MC_7$

\$0.50  $MC_6$

\$0.40  $MC_5$

Decreasing Returns

to Labor set in: **Marginal Cost rise** as the  
**Marginal Product**  
**decrease**



Variable Cost

