

\$2

● pound

\$1



pound



0.66

0.50

0.40



0.50.

0.66.

1



2



Cost per unit





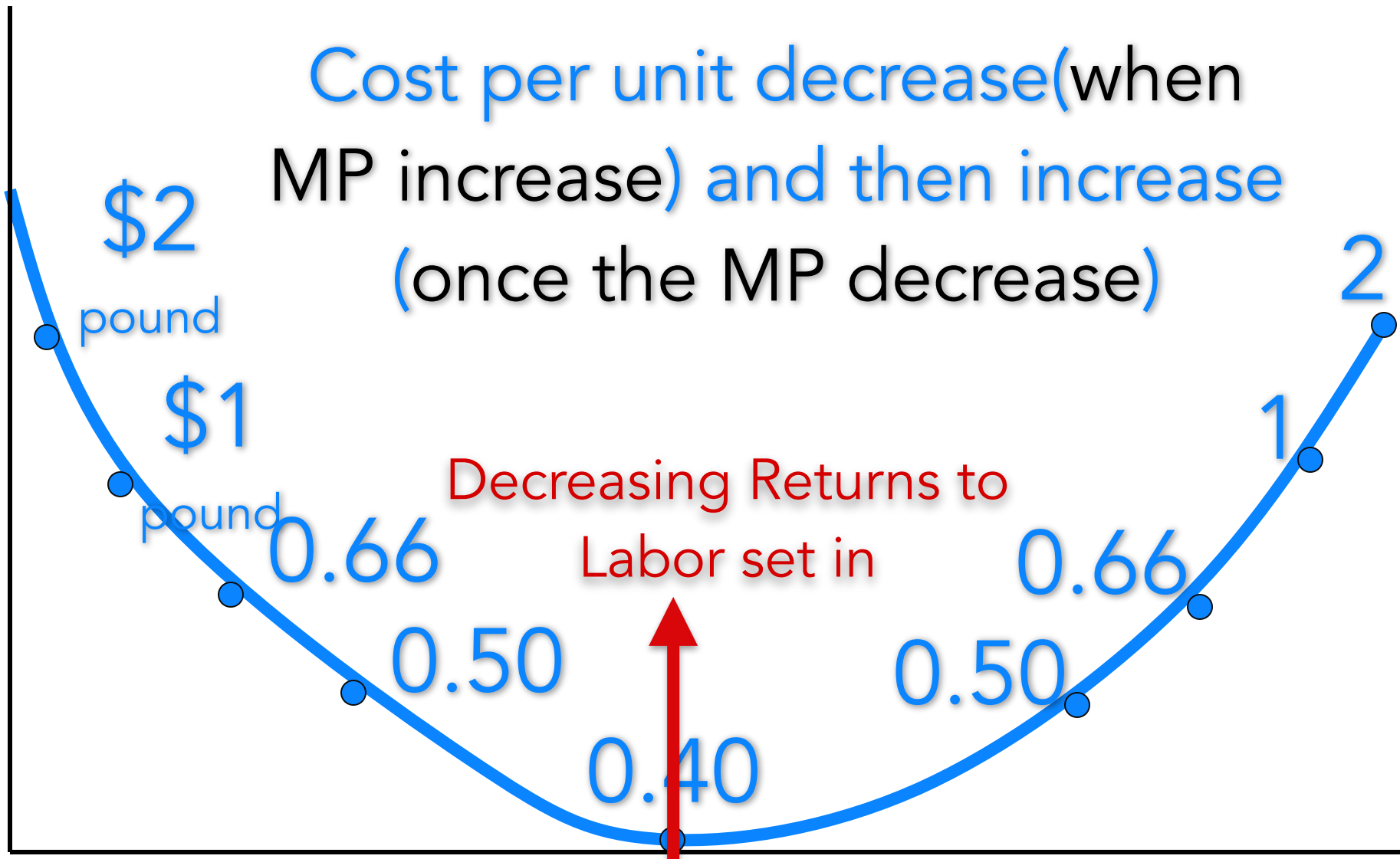
Cost per unit decrease (when
MP increase) and then increase
(once the MP decrease)

Pounds of Coffee Produced



Decreasing Returns to
Labor set in

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



Pounds of Coffee Produced