6	692	980	1200	1384	1550	1692
5	632	896	1096	1264	1410	1550
4	564	800	960	1128	1264	1384
3	490	692	846	980	1096	1200
2	400	564	692	800	896	980
1	282	400	490	564	632	692
	1	2	3	4	5	6

Capital (K)

Labor (L)

K	Total Product	Marginal Product of K

1

632

2

896

3

1096


4

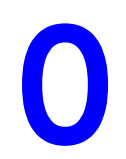
1264

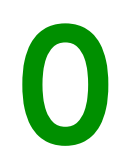
5

1410


6


1550


0



632-0

896 - 632

1096 - 896

1264 - 1096

1410 - 1264

1550 - 1410

These are all

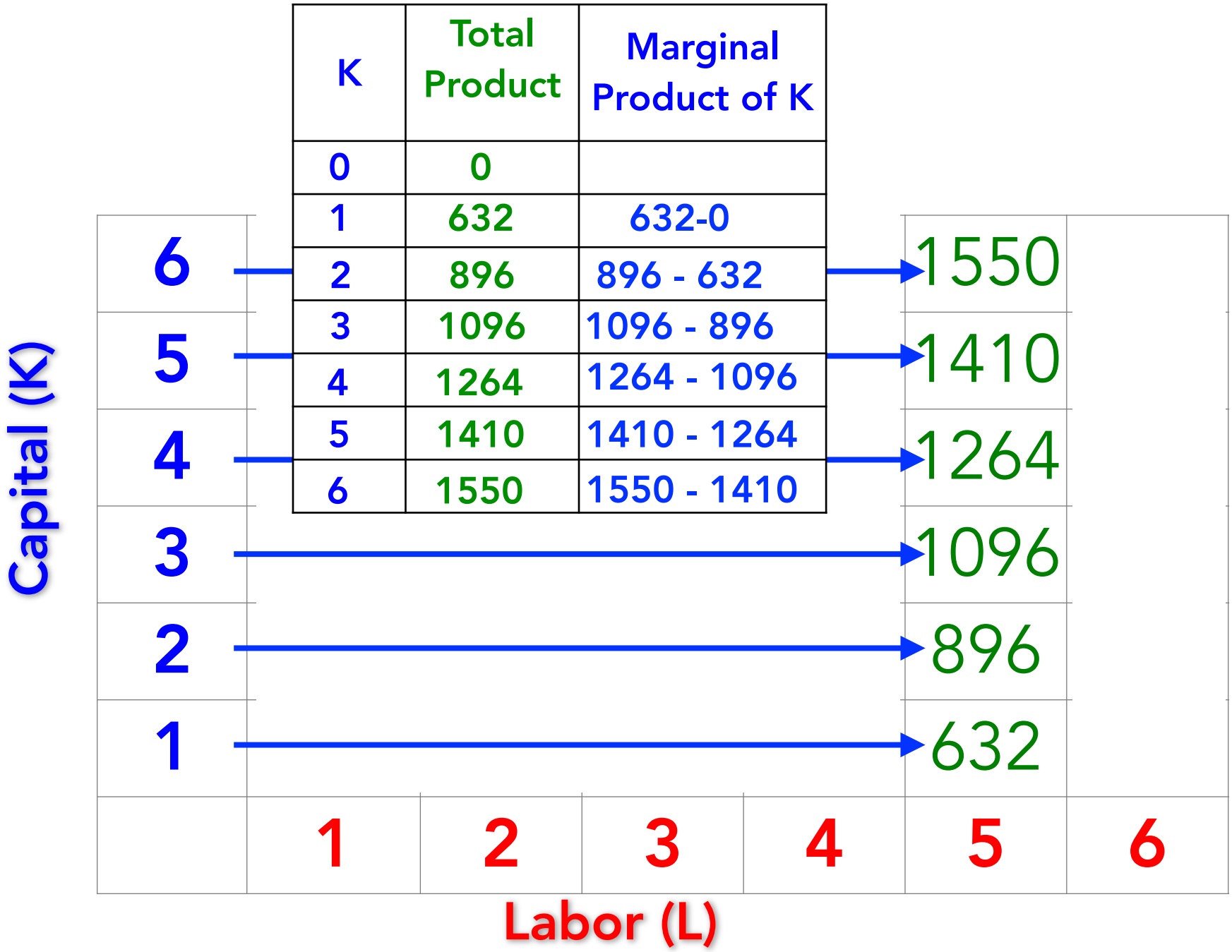
output levels we

can produce with

5 workers

We know we will use 5 workers

Fix Labor at 5


K
Total Product
Marginal Product of K
0
0
1
632
632-0
2
896
896 - 632
3
1096
1096 - 896
4
1264
1264 - 1096
5
1410
1410 - 1264
6
1550
1550 - 1410
Capital (K)
6
5
4
3
2
1
1550
1410
1264
1096
896
632
1
2
3
4
5
6
Labor (L)

If we have 5 workers: L = 5
How many machines should be purchased?

K	Total Product
0	0
1	632
2	896
3	1096
4	1264
5	1410
6	1550