



Units produced:Output

Variable Cost is zero when output is zero



Decreasing Returns to Labor set in:





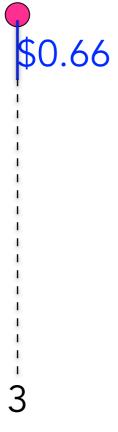
Variable Costs increase as Output increase

Cost per unit drops

because Marginal

Product Increase







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Cost per unit will rise as the Marginal Product Increase

Variable Costs increase as Output increase

