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Output







\$0.40 MC₅

Decreasing Returns
to Labor set in:



5



\$0.50 MC₆

6



\$0.66 MC₇

7



\$1 MC_8

8



\$2 MC₉

9

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

\$1 MC_8

\$0.66 MC_7

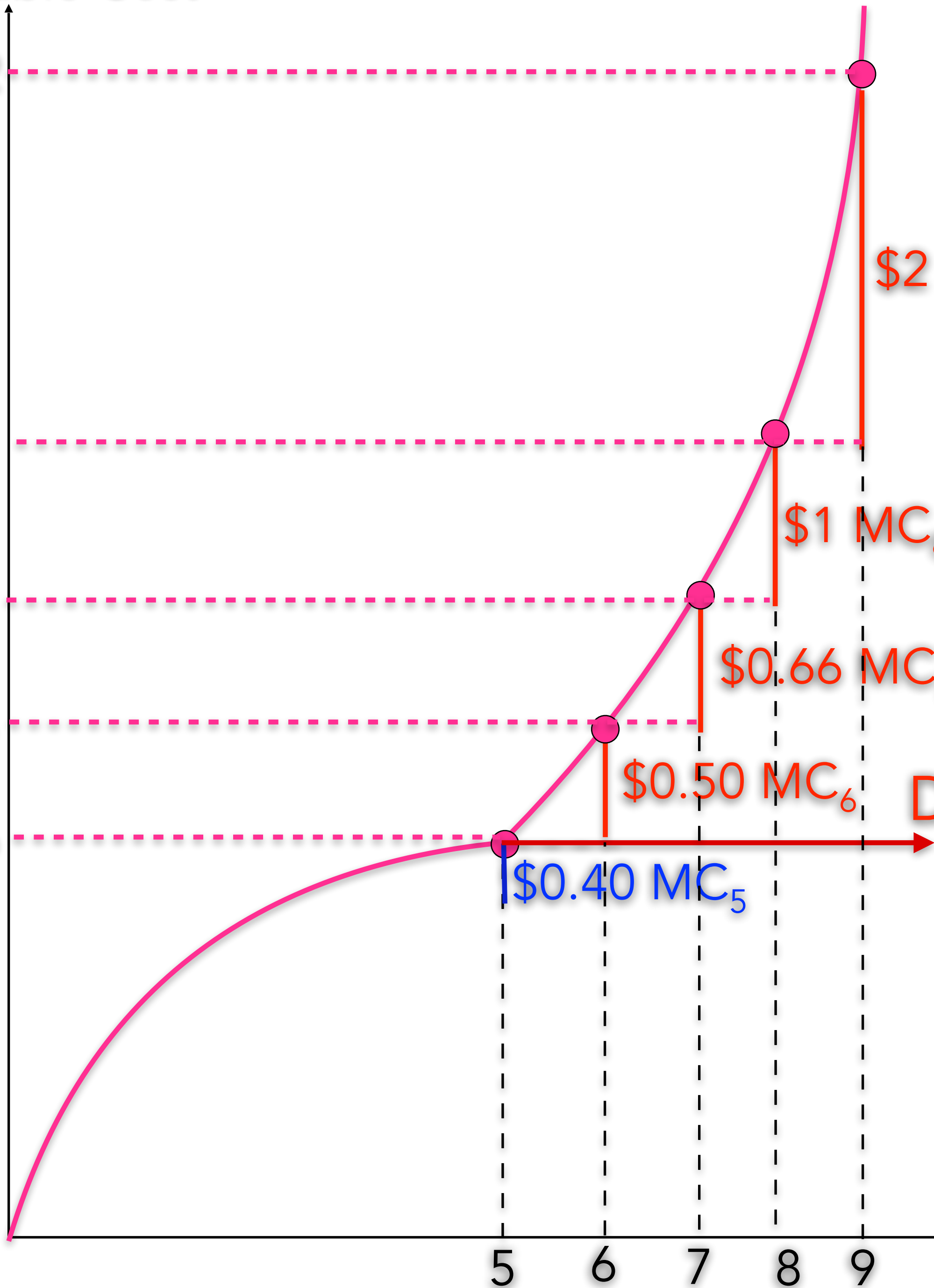
\$0.50 MC_6

\$0.40 MC_5

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

Decreasing Returns

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



Variable Cost

