

1

2

3

4

5

6

7

8

9

10

11

12







Output



Variable Costs increase
as Output increase



i\$0.40

Decreasing Returns
to Labor set in:



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

5



\$0.50

6



\$0.66

7



\$1

88



\$4

4.56



5.06



6.72



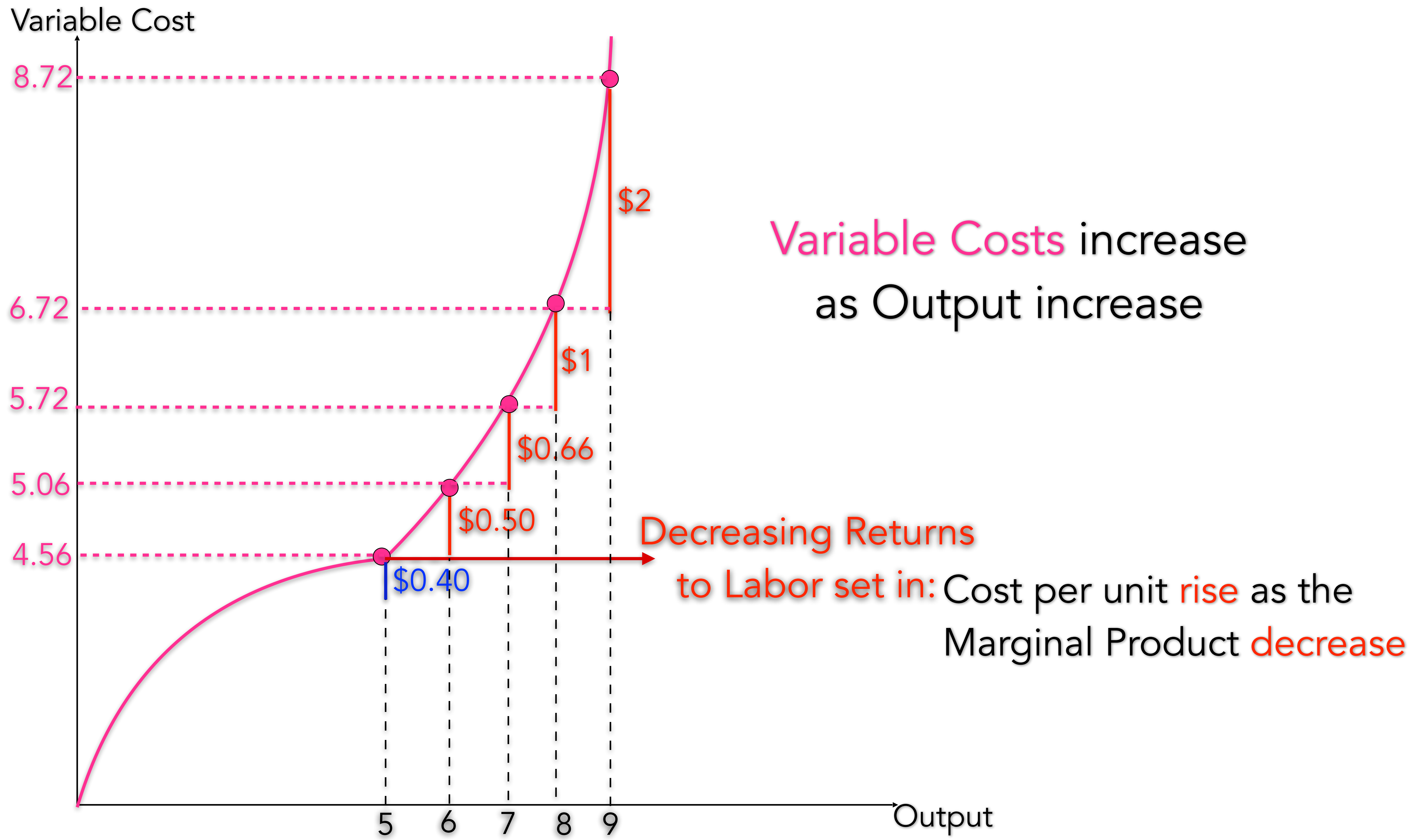
5.72

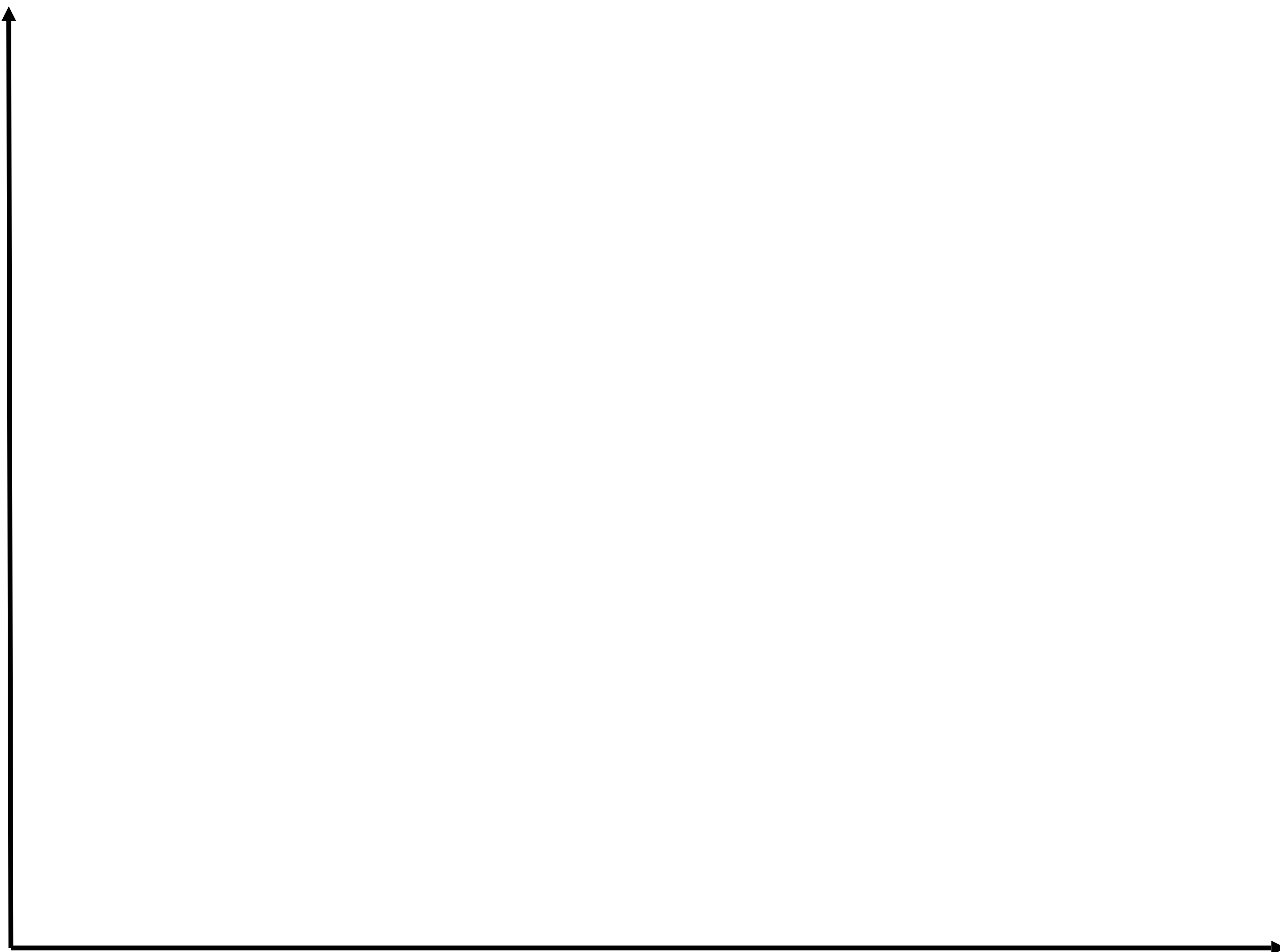


8.72



Variable Cost





Output