

Homework #4

- 1.) Calculate MP_L and AP_L for a TP_L of 40, 100, 150, 180, 200, 210, 210, and 200 for the first eight workers hired.
- 2.) Reproduce the table or fill in the blanks for A – L this table. (Note that it doesn't make sense to talk about MP_L and AP_L *before* $L = 1$!)

<i>Trucks</i>	<i>Labor</i>	<i>Output</i>	<i>AP_L</i>	<i>MP_L</i>
2	0	0	--	--
2	1	75	A	B
2	2	C	100	D
2	3	E	F	100
2	4	380	G	H
2	5	I	J	50
2	6	K	75	L

- 3.) Assume the total product curve is a straight line through the origin—and then draw the average product and marginal product curves look like.
- 4.) Draw the total, marginal, and average product curves when diminishing marginal returns set in—with the ***very first*** unit of labor employed?
- 5.) Should a firm be more concerned with the average or the marginal product of a new hire? Why?