

Chapter 12 Question 2

units labor tp	mpp	prod price	tr	mrp
0.00	0.00	0.00	2.00	0.00
1.00	17.00	17.00	2.00	34.00
2.00	31.00	14.00	2.00	62.00
3.00	43.00	12.00	2.00	86.00
4.00	53.00	10.00	2.00	106.00
5.00	60.00	7.00	2.00	120.00
6.00	65.00	5.00	2.00	130.00

wage rate 27.95  
 Wage rate 19.95

What's the MRC  
 How many Unites labor  
 Graph the derived demand Curve

units labor tp	mpp	prod price	tr	mrp
0.00	0.00	0.00		0.00
1.00	17.00	17.00	2.20	37.40
2.00	31.00	14.00	2.15	66.65
3.00	43.00	12.00	2.10	90.30
4.00	53.00	10.00	2.05	108.65
5.00	60.00	7.00	2.00	120.00
6.00	65.00	5.00	1.95	126.75

6.00	Units Capital	MP of Capital	TP	TCCap	MPc/Pc	Units labor	MP Labor	mpl/pl	Product Price	1.00 Pure Comp
	1.00	24.00	24.00	3.00	8.00	1.00	11.00	11.00	Capital	3.00
	<b>2.00</b>	<b>21.00</b>	<b>45.00</b>	<b>6.00</b>	<b>7.00</b>	2.00	9.00	9.00	Labor	1.00
	3.00	18.00	63.00	9.00	6.00	3.00	8.00	8.00		cost
	4.00	15.00	78.00	12.00	5.00	<b>4.00</b>	<b>7.00</b>	<b>7.00</b>	2c4l	80.00 10.00
	5.00	9.00	87.00	15.00	3.00	5.00	6.00	6.00	3c5l	104.00 23.00
	6.00	6.00	93.00	18.00	2.00	6.00	4.00	4.00	7c7l	142.00 28.00
	<b>7.00</b>	<b>3.00</b>	<b>96.00</b>	<b>21.00</b>	<b>1.00</b>	<b>7.00</b>	<b>1.00</b>	<b>1.00</b>		

8.00      1.00      97.00      24.00      0.33      8.00      0.50      0.50

Least Cost Combo for 80 units output

MPC/Pc    MPI/PI    21/3                    7.00

MPI/PI=MPC/Pc

How would a monopsony be different?

wage rate wouldn't be static

instead of \$19 an hour

may have the following structure

Units Labor	Tclabor	Mclabor or MRC (Marginal Resource Cost	q2 info labor	tpp	mpp	price	tr
0.00	15.00			0.00	0.00	0.00	2.00    0.00
1.00	16.00	16.00	16.00	1.00	17.00	17.00	2.00    34.00
2.00	17.00	34.00	18.00	2.00	31.00	14.00	2.00    62.00
3.00	18.00	54.00	20.00	3.00	43.00	12.00	2.00    86.00
4.00	19.00	76.00	22.00	4.00	53.00	10.00	2.00    106.00
5.00	20.00	100.00	24.00	5.00	60.00	7.00	2.00    120.00
6.00	21.00	126.00	26.00	6.00	65.00	5.00	2.00    130.00
7.00	22.00	154.00	28.00				
8.00	23.00	184.00	30.00				

Point of "Hiring" is wt

etition/not a monopsony

profit

70.00

81.00

114.00

mrp

0.00

34.00

28.00

24.00

20.00

14.00

10.00