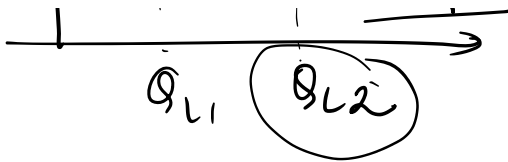
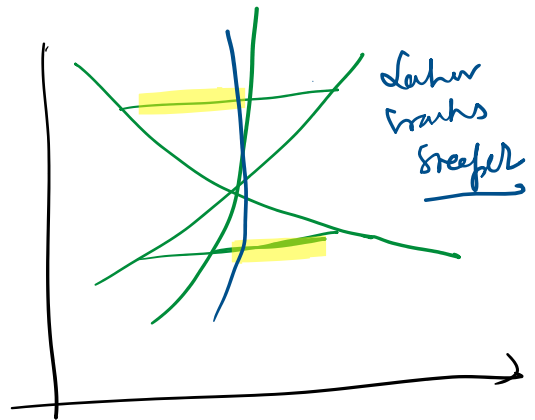
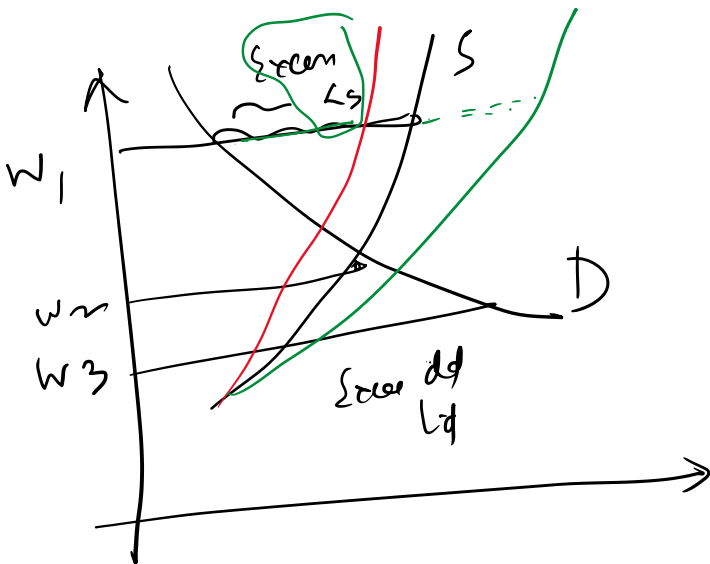


for labor



classical
neo-classical
modern



Dinner → 6hr → \$50
1hr → 50 / 60 (a per 10)

Shopping 6:10
6:07
450 + 50 = 500

flatter line → Relaxation for many 15/20mins

Trade off 450 → 500 → X 225-250

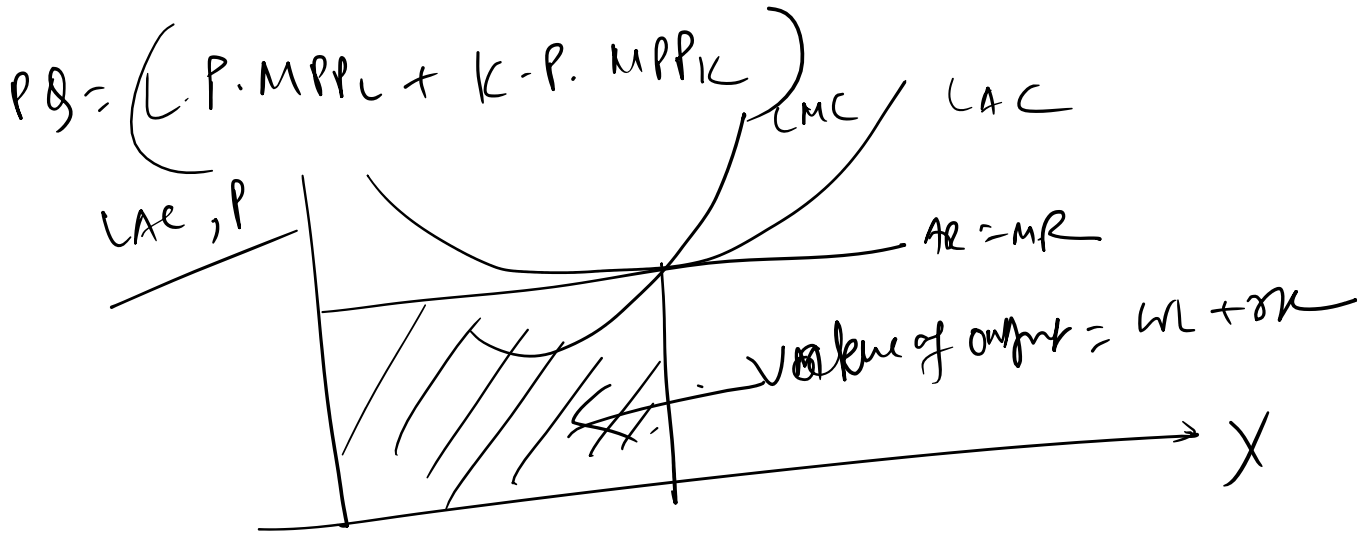
no - a + MP_B × B - + MP_C × C =

Q = $MP_A \times A + MP_B \times B + MP_C \times C$
 = $\sum_{i=1}^n MP_{A_i} \times A_i$ 3 factors
for n factors

Value of the product = Total Cost
 = $WL + rK$

$w = VMP_L = (P \times MPP_L)$
 $r = VMP_K = P \cdot MPP_K$

W@ 2023
Incl
Potential Product
Actual Production
4



K vs L substitution

$\sigma = \frac{\frac{d(K/L)}{K/L}}{\frac{\Delta(W/r)}{W/r}}$

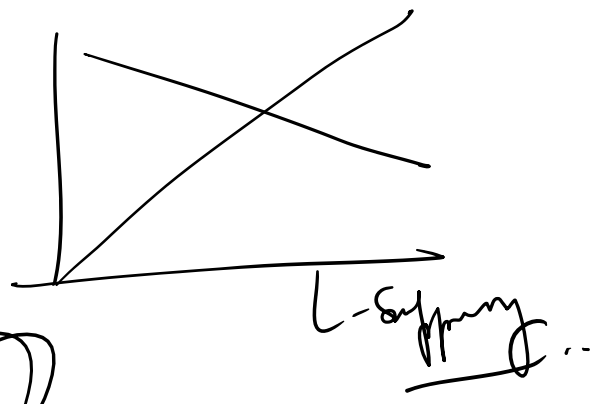
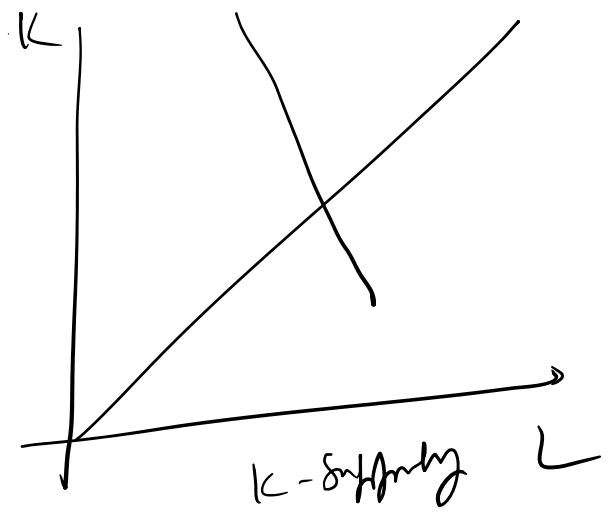
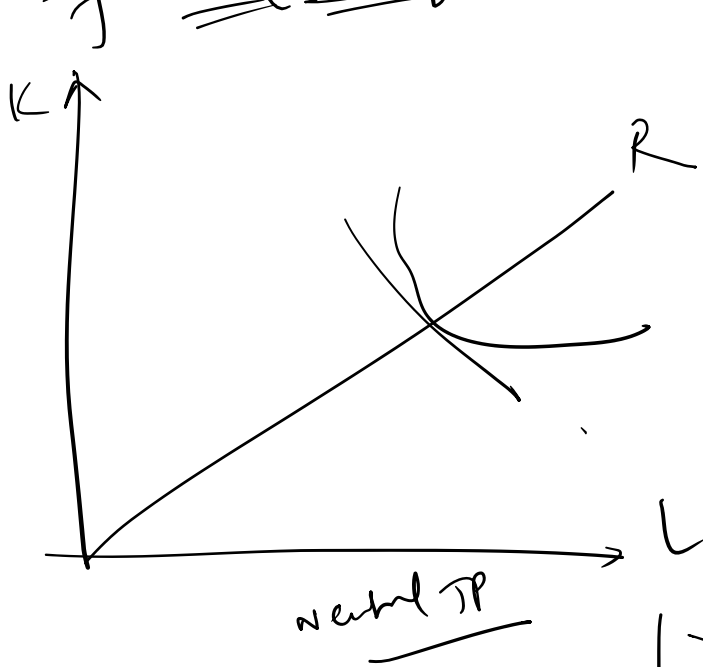
Am Pc

w/r

$\frac{K}{L}$

P_C

TP TP (Technical Progress):



$\textcircled{K} \downarrow \textcircled{L}$

Technical $\rightarrow \textcircled{L}$

$\textcircled{K} \textcircled{K} \textcircled{K}$ Low capital more L intensive...

Intensity type

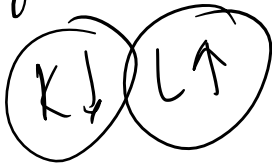
μ + Amazon
Smg + tomato
Ol + vhes *

Why are wages paid?

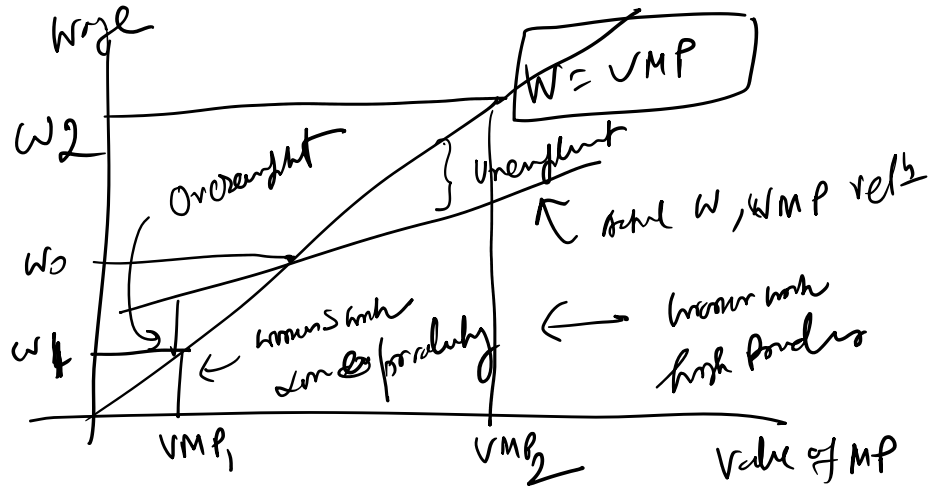
\textcircled{a} wage

\textcircled{p}

Why are v.p.



$w_2 > w_1$



elastic labour:

$e_{lab} > e_{hires}$

they labour can do high labour wages

$e = f(\text{Productivity})$

Unemployment

(MP)



Using Rights

Inspired by B.V.S.

2.5	3	3.5	2.3	1
PHD prof	Dr	Social work	Homemaker	Van wala
106th	33.33%		0.25 (normal)	

B.V. (106th) (33.57k)

Wage Determination

$$MRP_L = MR \cdot MPP_L = P_L$$

$$MRP_K = MR \cdot MPP_K = P_K$$

$$\frac{P_L}{MP_L} = \frac{P_K}{MP_K} = MR$$

AFC & MFC

$$\frac{MFC}{AFC} = 1 + \frac{1}{e_L} \quad \text{or} \quad MFC = W(1 + \frac{1}{e_L})$$

In short

$$TFC = WL$$

$$dTFC = d(WL) = WdL + LdW$$

$$MFC = \frac{dTFC}{dL}$$

$$= W + L \frac{dW}{dL}$$

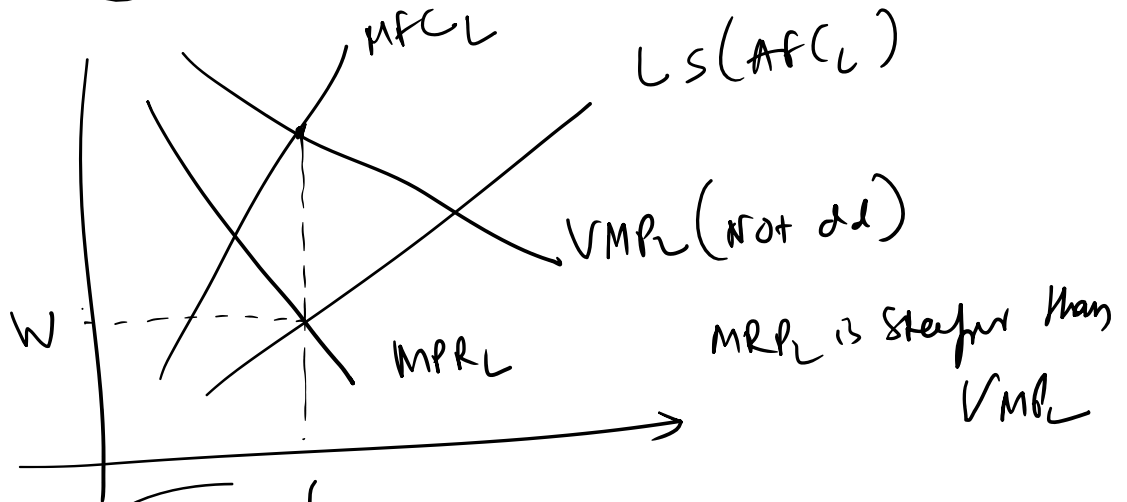
$$= W \left(1 + \frac{L}{W} \frac{dW}{dL} \right)$$

$$= W \left(1 + \frac{1}{e_L} \right)$$

For downward bending
Labor Supply Curve

$$MFC < AFC \quad \text{if} \quad e_L < 0$$

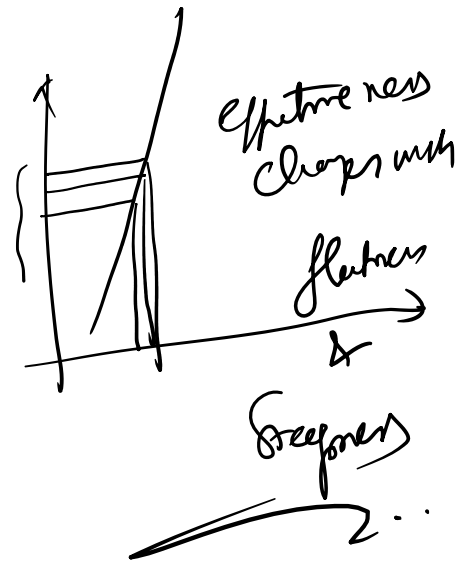
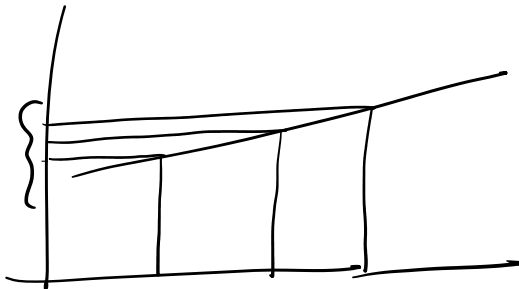
MFC \rightarrow AFCL



Change

100
70
60
50
40

Trade Unions



* Is MRP_L is the manufacturer's dd for labor $\frac{7}{f}$ (one)

Ans: Increase dd for $p = h(q)$ $h'(q)$

$$TR = q \cdot h(q)$$

..... $q \cdot h'(q)$

$$TR = q \cdot h(L)$$

$$MR = 1 \cdot h(q) + q \cdot h'(q)$$

Pruning only L is changing

$$q = f(L)$$

$$f'(L) > 0$$

$$MRP_L = \frac{d(TR)}{dL} = \underline{h(q)} \frac{dq}{dL} + q \underline{h'(q)} \frac{dq}{dL}$$

now, $\frac{dq}{dL} = f'(L)$

$$\text{So, } MRP_L = \left[h(q) + q h'(q) \right] f'(L)$$

Now, $\pi = pq - wL - f$

$$= h[f(L)] \cdot f(L) - wL - f$$

$$\frac{d\pi}{dL} = f(L) \frac{dp}{dq} \frac{dq}{dL} + p \frac{dq}{dL} - w = 0$$

$$\text{or, } \left(q \frac{dq}{dp} + p \right) \frac{dq}{dL} - w = 0$$

$$\text{or, } \left[h(q) + q h'(q) \right] f'(L) = w$$

$$\text{or, } MRP_L = w \left[\text{some } p^p = h(q) \right. \\ \left. \frac{dp}{dq} = h'(q) \right]$$

IS - CM model is needed

20