

## Bringing it All Together:

With a partner, come up with your own company. First, determine the total monthly **salary** of your management. Next, determine the cost of your **hourly** employees. Then decide on the **market price** of the merchandise you are selling. Place these numbers in the appropriate boxes below. Finally, compute the marginal cost, quantity produced, marginal product of labor, total revenue, and the profit. Show your work below.

Company: \_\_\_\_\_ Merchandise: \_\_\_\_\_

Workers	Fixed Cost	Variable Cost	Total cost (Fixed cost + variable costs)	Marginal Cost	Marginal Revenue (market price)	Quantity Produced	Marginal Product of Labor	Total Revenue (MR x Q)	Profit (total revenue - total cost)
0									
1									
2									
3									
4									
5									

What is the profit at 2 workers? \_\_\_\_\_.

What is the profit at 3 workers? \_\_\_\_\_.

How many workers should we hire? \_\_\_\_\_.

At how many workers does our company reach before the point of diminishing marginal return? \_\_\_\_\_.