



College of Business Administration
Department of Economics
Aggregate Economic Conditions & Analysis
Lecturer: O. Mikhail
ECO 6206-0001
Spring 2002

Assignment II

Due January 22, 2001

Question I:

Hours Worked	Total Production of Output	MPL of the Last Hour Worked
0	0	XX
1	100	---
2	170	---
3	220	---
4	240	---
5	250	---

- Complete and graph the Marginal Productivity of Labor (MPL).
- Assume that output rises by 10 % at every hour. Illustrate the new MPL on the graph of a).
- What kind of shift is this to the production function?
- How does this shift affect the marginal product schedule?

Question II:

Using a production function and indifference curve, illustrate the equilibrium choice of consumption and work for Robinson Crusoe.