

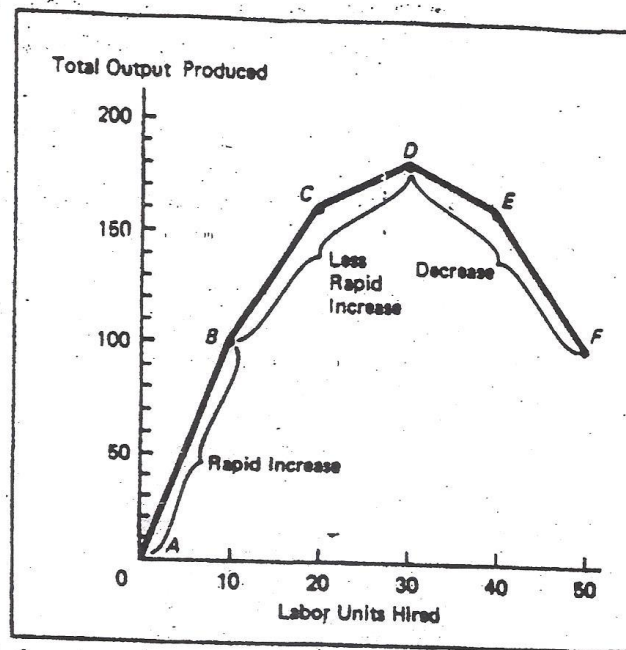


FIGURE 7-1 A GRAPHIC REPRESENTATION OF DIMINISHING MARGINAL PRODUCTIVITY

Total product increases rapidly at first when labor usage is increased. Then output increases less rapidly when labor goes from 10 units to 20 units, and from 20 units to 30 units. Beyond 30 units of labor, output actually declines.

Workers	Total Output	Additional Output