

“Glove” Production and Diminishing Marginal Product

Suppose you are a firm that produces gloves. Your goal is to produce as many gloves as possible given your resources of land (desk area), capital (2 writing utensils), and labor (you are the workers).

You are going to produce gloves in successive rounds. In the first round, you are only permitted to have 1 worker. In each successive round, you can add one additional worker. You will have 30 seconds in each round to make the maximum number of gloves possible given your inputs.

Before you begin, answer the following questions:

1. What is the output your firm is producing?

2. What are your firm’s inputs?
 - a. Which of the inputs are fixed?

 - b. Which of the inputs are variable?

Fill in the following table with each successive round of glove production that takes place.

Units of Labor	Total Output (Total Product)	Marginal Product (MP)	Average Product (AP)
0		_____	_____
1			
2			
3			
4			
5			
6			

