**CHAPTER 14: Market for factor inputs**

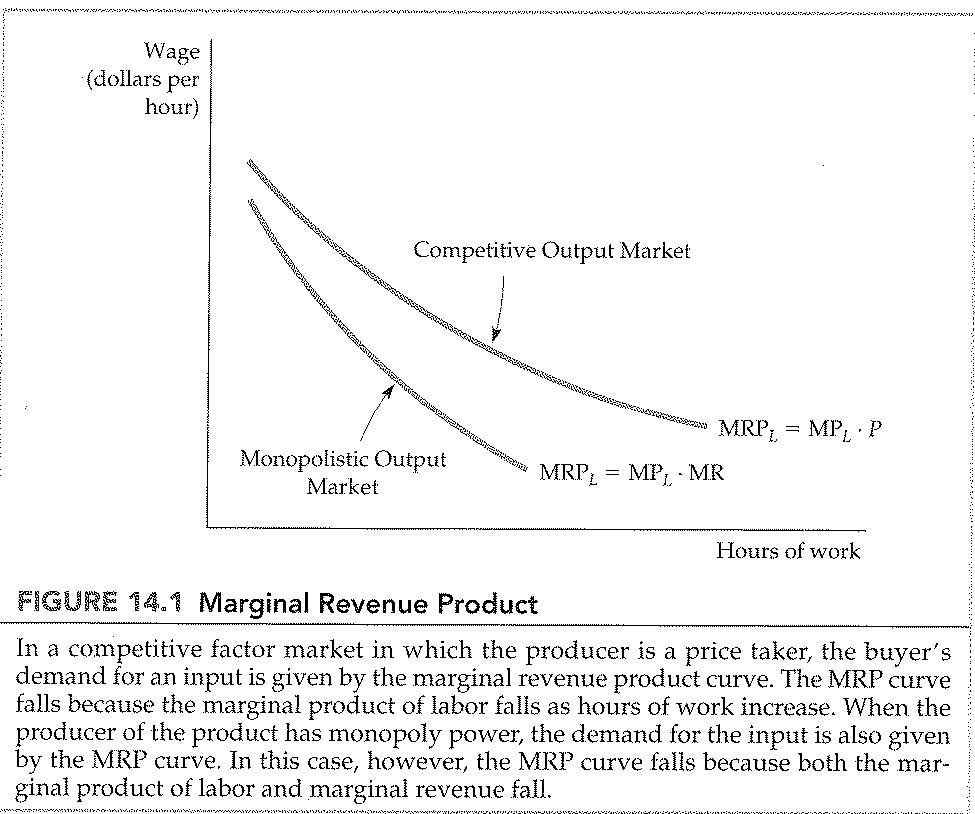
**Checklist**

Can you do the following regarding **a market for factor inputs**?

* Define a competitive factor market
* Define derived demand
* How do you determine derived demand?
* Define marginal revenue product of labour
* Define average expenditure firm
* Define marginal expenditure firm
* Explain the backward-bending supply of labour

**CHAPTER 14: Market for factor inputs**

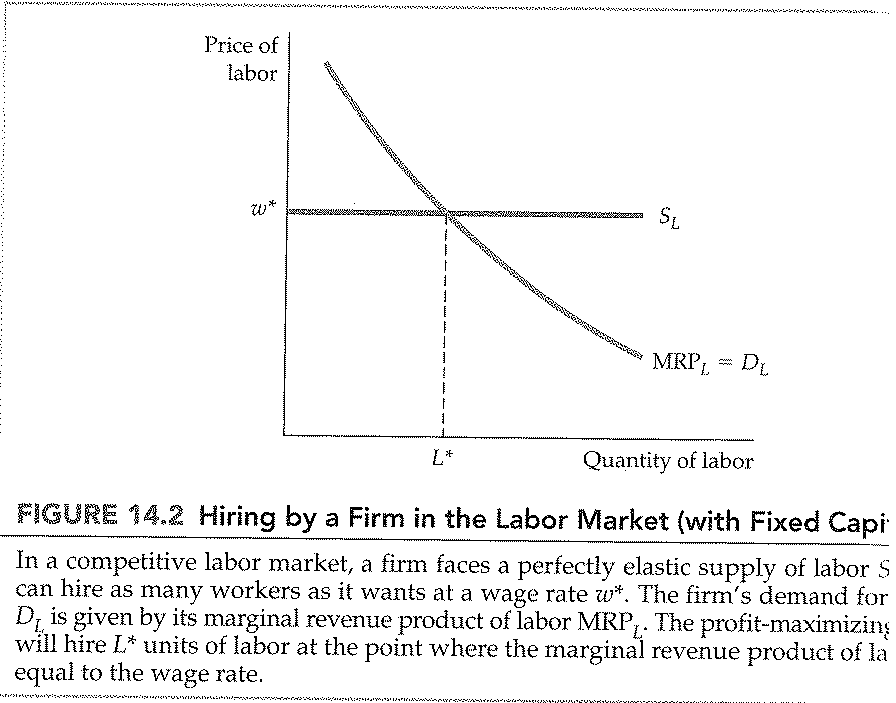
**Marginal revenue product**



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**CHAPTER 14: Market for factor inputs**

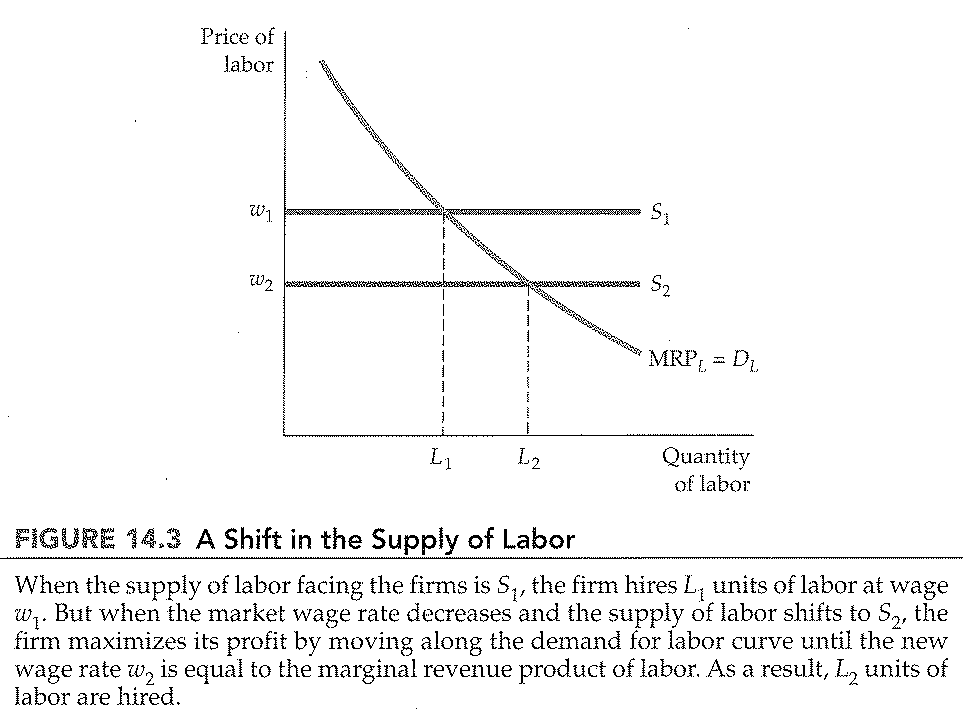
**Hiring by a firm in the labour market**



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**CHAPTER 14: Market for factor inputs**

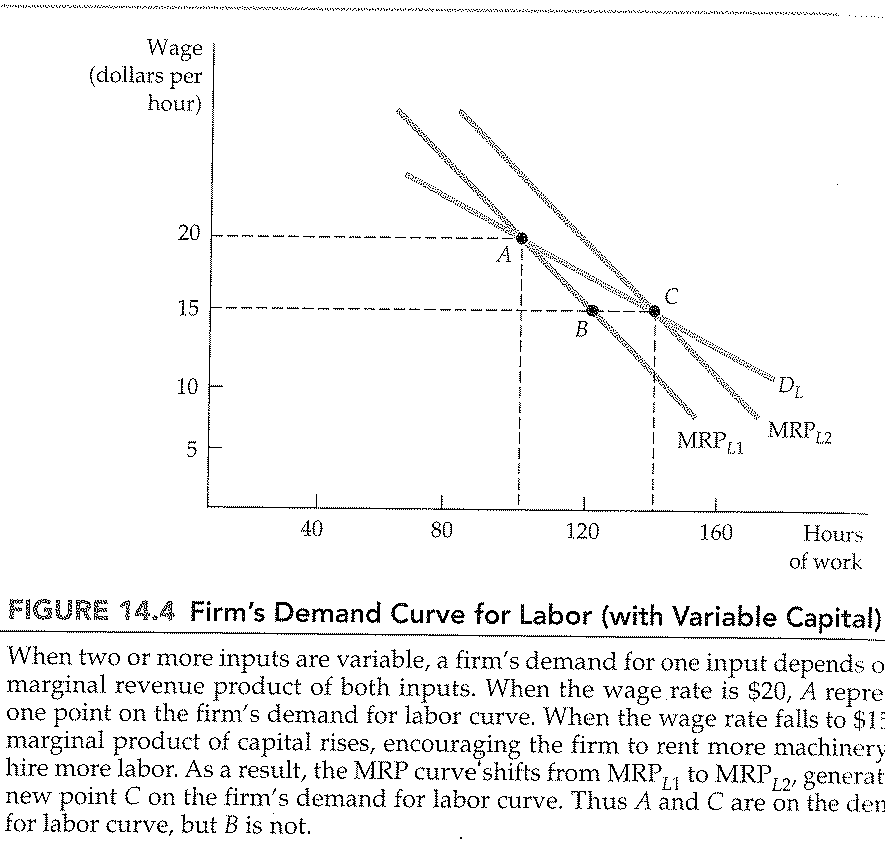
**A shift in the supply of labour with fixed capital**



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**CHAPTER 14: Market for factor inputs**

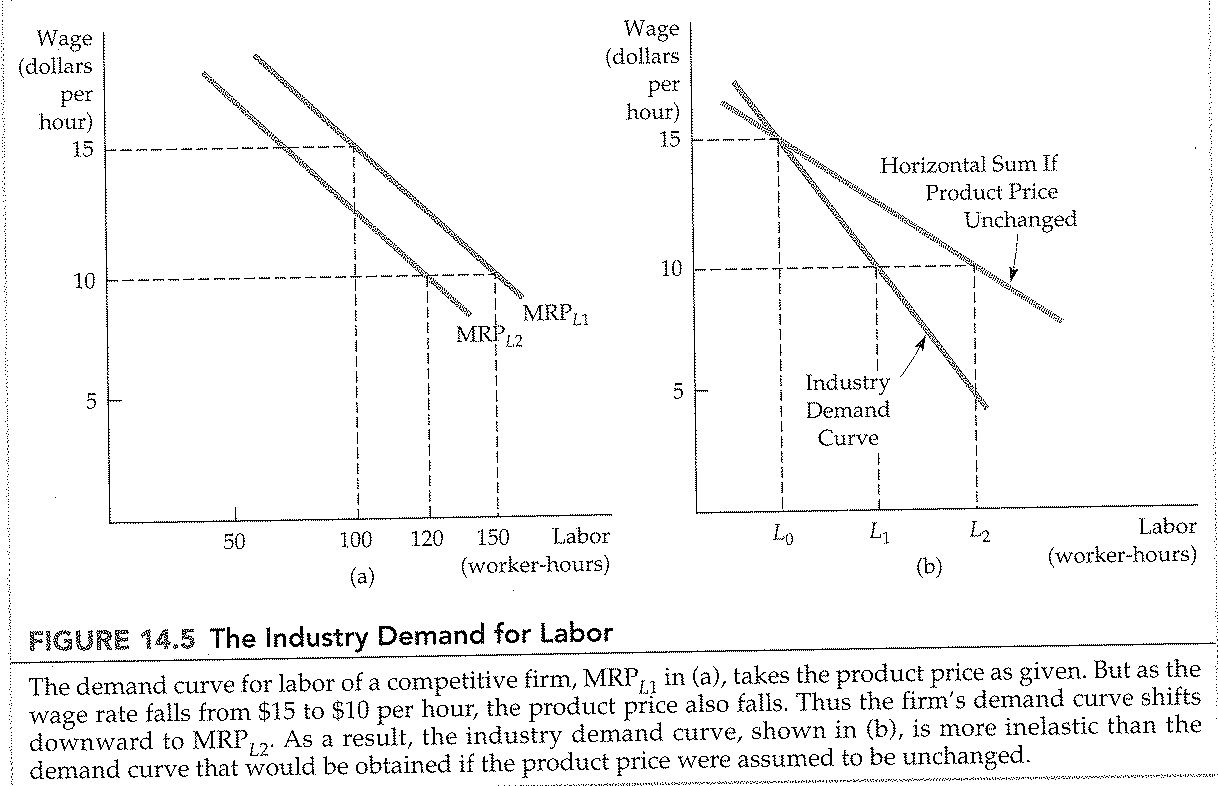
**Firm’s demand curve for labour with variable capital**



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**CHAPTER 14: Market for factor inputs**

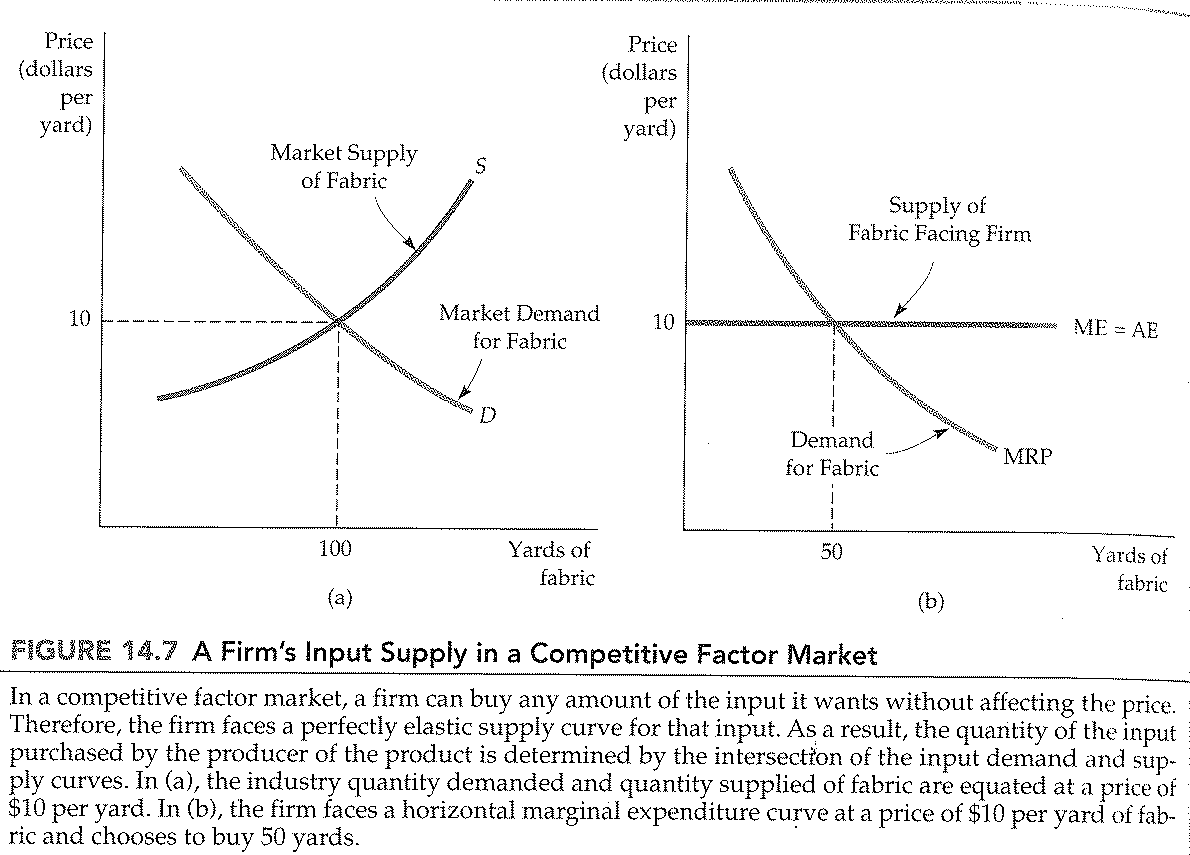
**The industry demand for labour**



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**CHAPTER 14: Market for factor inputs**

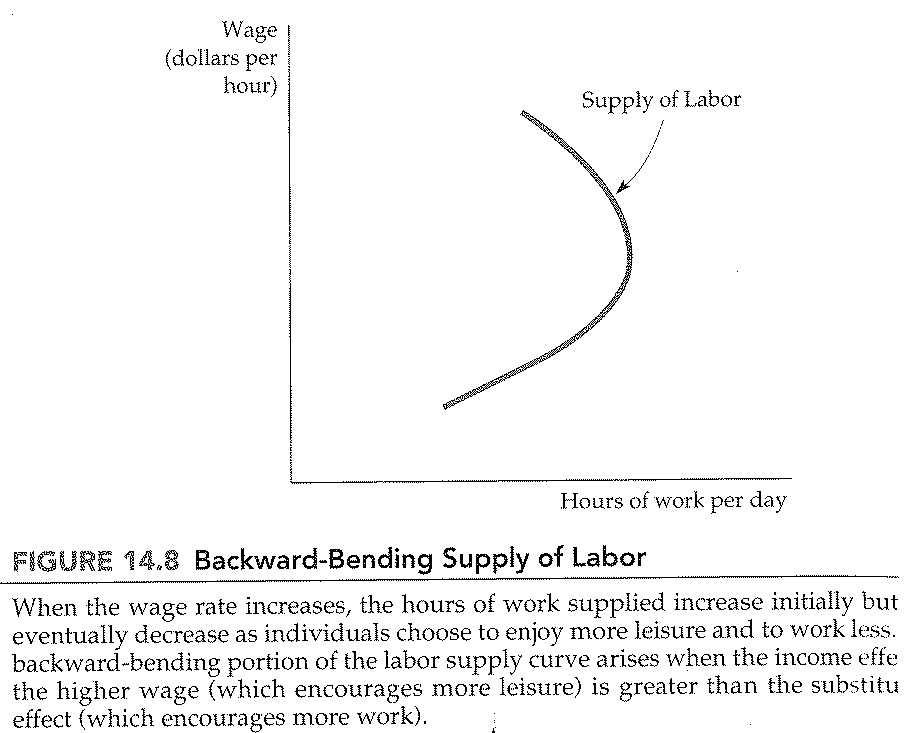
**A firm’s input supply in a competitive factor market**



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**CHAPTER 14: Market for factor inputs**

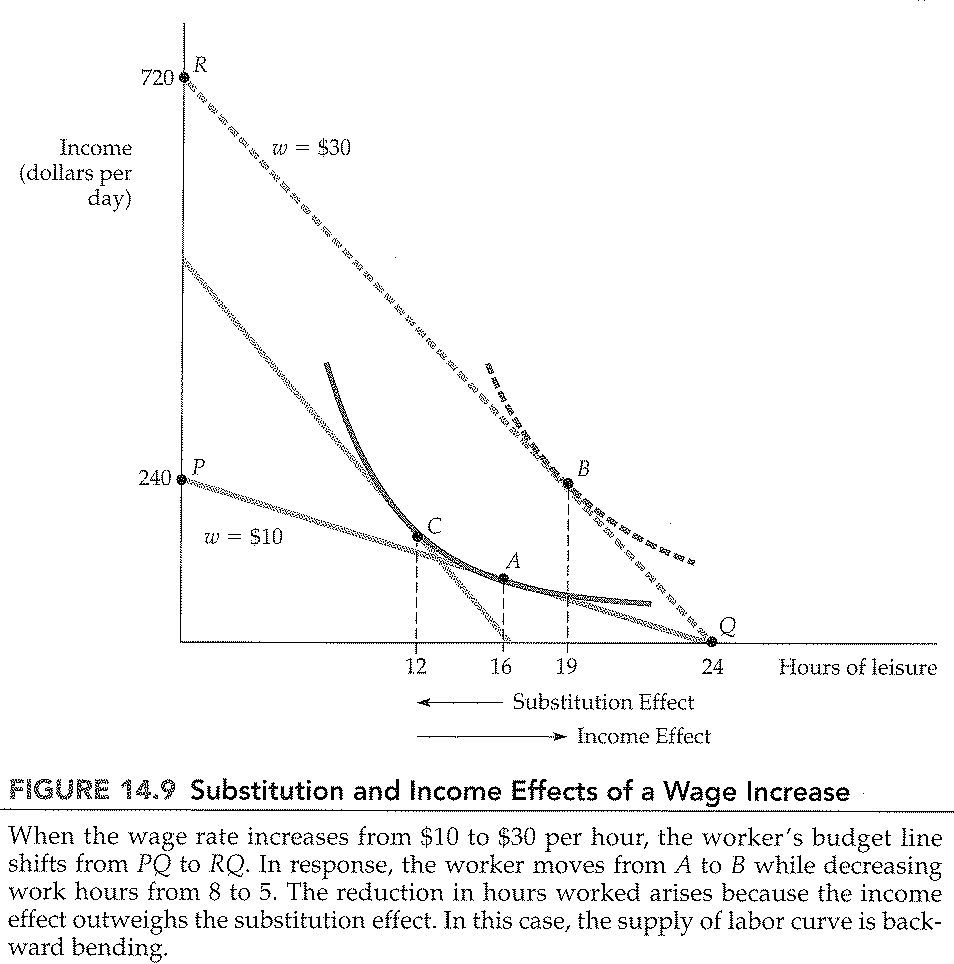
**Backward-bending supply of labour**



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**CHAPTER 14: Market for factor inputs**

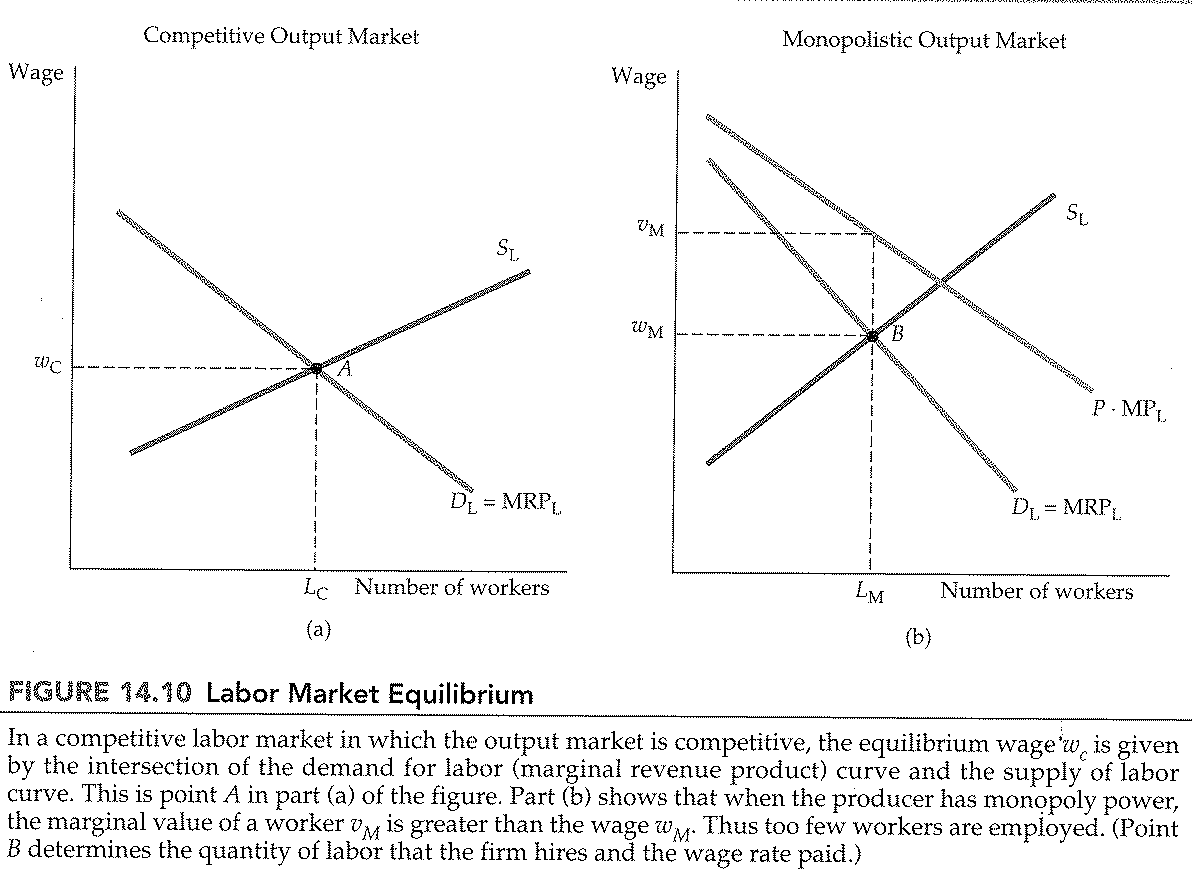
**Substitution and income effect of a wage increase**



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**CHAPTER 14: Market for factor inputs**

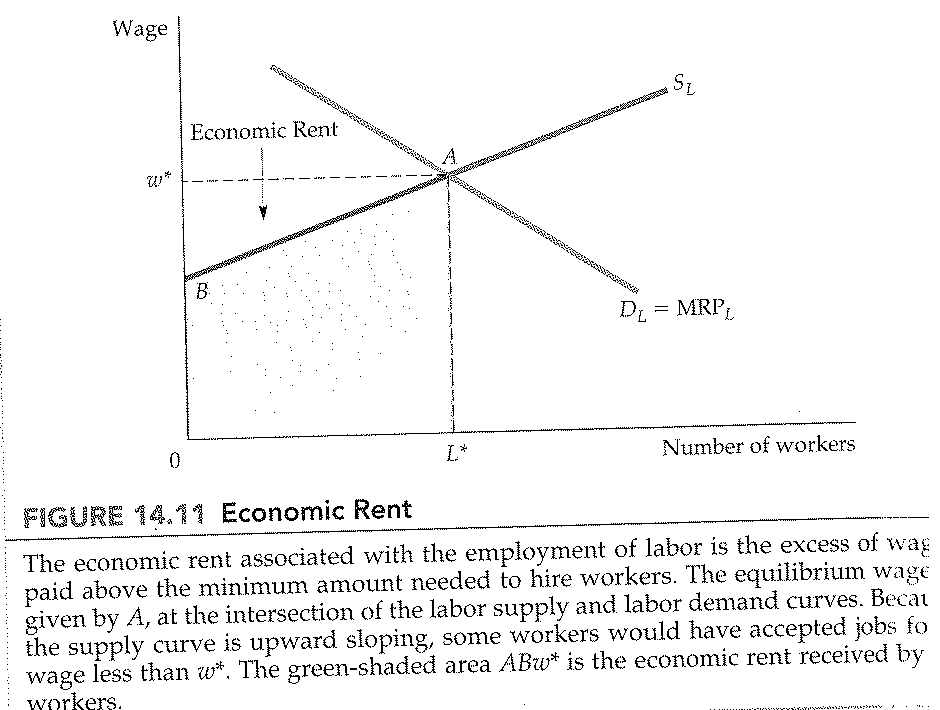
**Labour market equilibrium**



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**CHAPTER 14: Market for factor inputs**

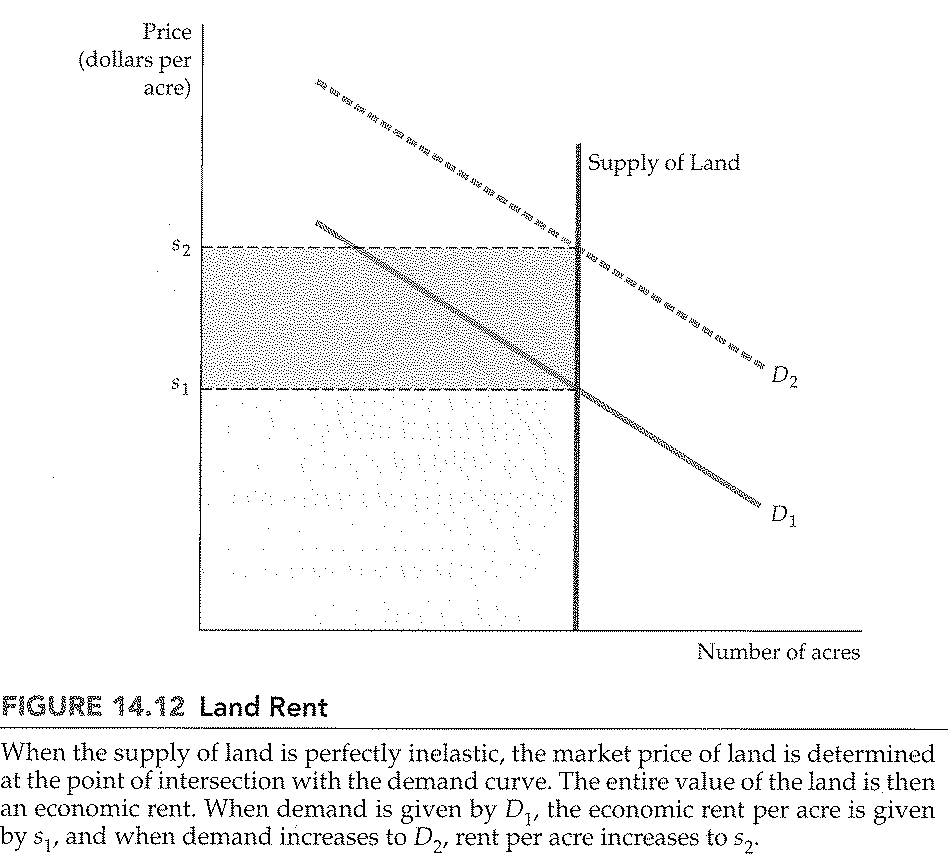
**Economic rent**



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**CHAPTER 14: Market for factor inputs**

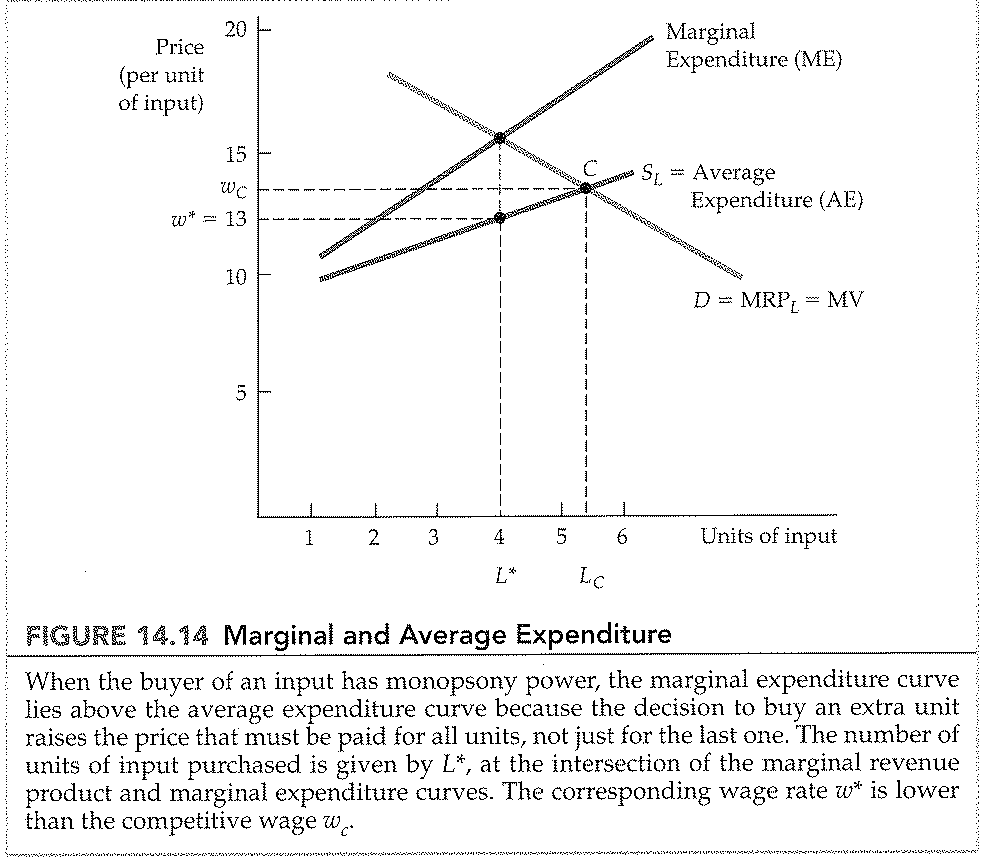
**Land rent**



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**CHAPTER 14: Market for factor inputs**

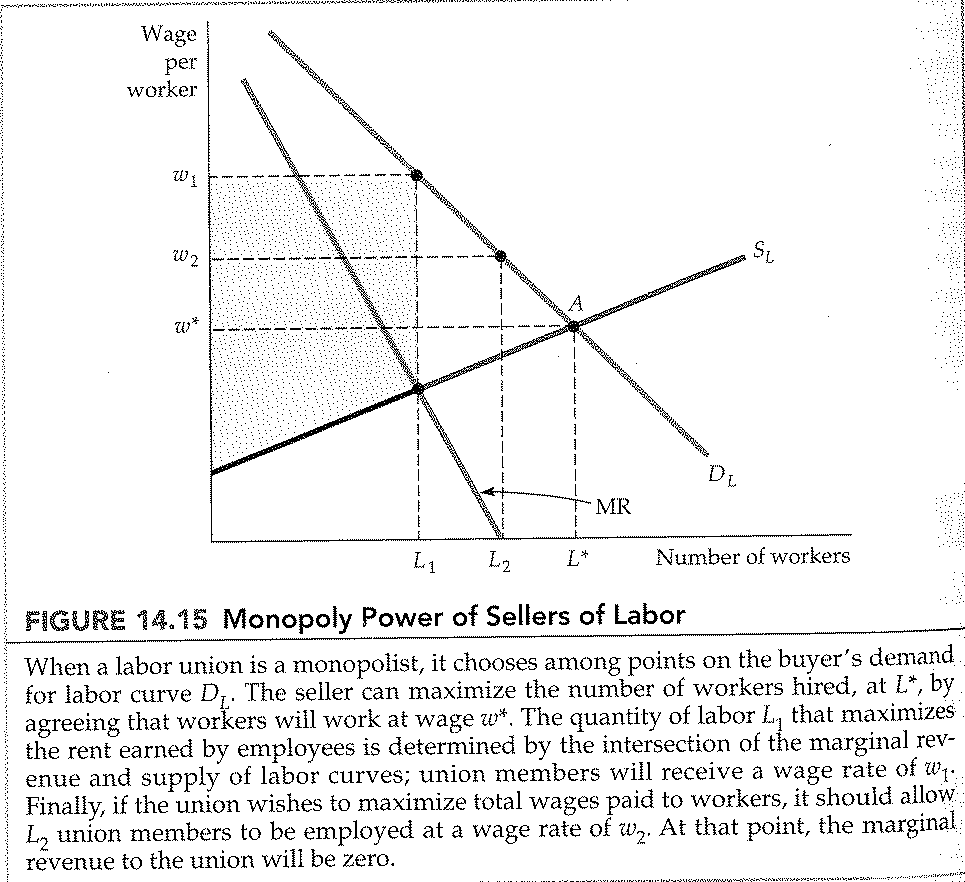
**Marginal and average expenditure**



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**CHAPTER 14: Market for factor inputs**

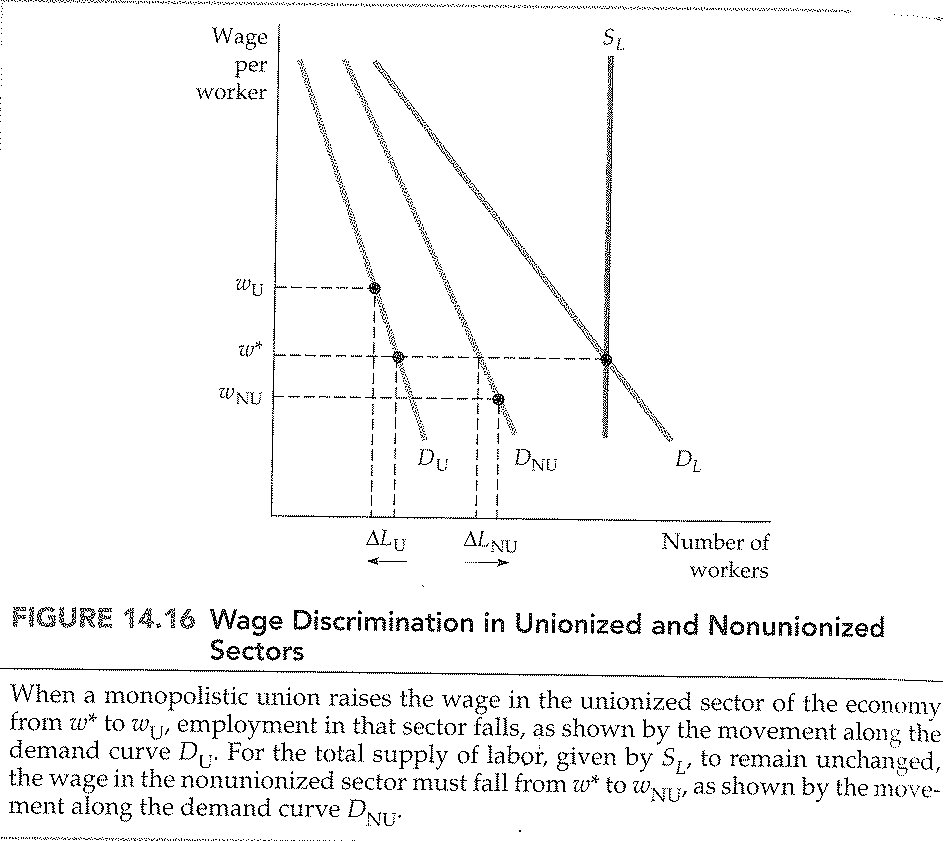
**Monopoly power of sellers of labour**



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**CHAPTER 14: Market for factor inputs**

**Wage discrimination in unionized and nonunionized sectors**



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