Figure 16–1

Labor Market Equilibrium

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Figure 16–3

Labor Market with Minimum Wage, Inelastic Demand

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Figure 16–4

Firm’s Labor Inputs

$w$, $\text{MRP}$, dollars per hour

$L$, workers per hour

$\text{MRP}_L = p \cdot MP_L$

Labor demand curve

Labor supply curve

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Figure 16–6

Intertemporal Substitution

\[ \text{slope} = -(1 + i) = -1.1 \]

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Figure 16-5

Equilibrium in Capital Markets

$S, D$

$i, \text{Interest rate}$

$j^*$

$K^*$

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Figure 16–7

Intertemporal Substitution with an Increase in the Interest Rate (Substitution Effect Dominates)

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