

Solutions

2.1 $MRP = 8 \text{ units/day} \times 12 \text{ currency units/unit} = 96 \text{ currency units/day}$. Additional employment cost $= 80 + 10 = 90 \text{ currency units/day}$. The model's additional contribution is $96 - 90 = 6 \text{ currency units/day}$, before any other relevant costs. Hiring is supported only if the output can actually be sold at that marginal revenue and the full additional cost does not exceed the additional revenue. If marginal revenue falls, a constant-price calculation may overstate MRP. This is not an instruction to equate a person's worth with revenue. Authored points for method, application and condition.

3.1 The higher wage raises cost, while useful training may raise saleable output or quality and therefore MRP. The employment effect needs the sizes, timing, product demand and actual employer response. Training attendance alone does not establish a productivity gain. Compare outcomes for workers retained, applicants and consumers. A competition investigation instead needs evidence of restrictive behaviour, entry and alternatives; a wage agreement alone does not establish product-market abuse. Preserve the introductory limit: detailed monopsony, union and competition-policy models remain in the full-target queue. Authored points for judgement, case-linked reasoning and qualification. Accept justified alternatives.