

Iso Cost lines (like budget lines)

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Same cost

↙ Cost

$$C = RK + WL$$

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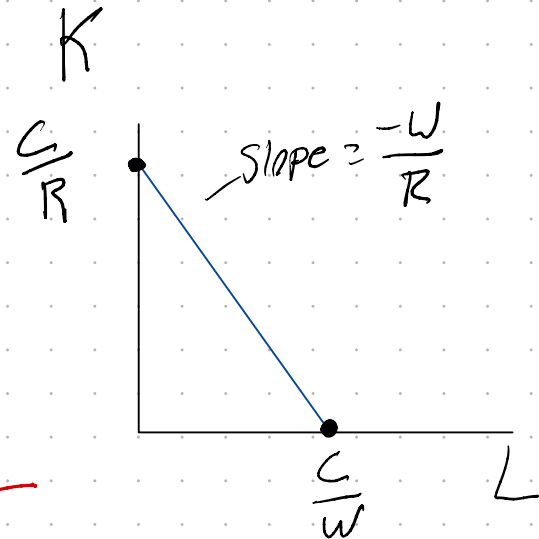
Rental
rate

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Wage

$$RK = C - WL$$

$$K = \frac{C}{R} - \frac{W}{R} L$$



Slope

The tradeoff between increasing Labor by 1 unit is to decrease K by $\frac{W}{R}$ units (keeping costs constant)