

YouTube Title: “Napoleon Dynamite Movie Mash Up by LatinSoul” <http://www.youtube.com/watch?v=PLMRLdEVtvE>
Video Length: 1:52 minutes

Chapter 16: The Labor Market, p. 342

Topic: Labor Demand, p. 347

Key Terms: Labor demand, derived demand

Learning Objective 1: What factors shape labor supply and demand.

Economic Application

This Napoleon Dynamite movie trailer (spoof) entitled “Skills” describes many attributes that Napoleon either possesses or longs to possess. These skills include nunchucks skills, bow-hunting skills, happy hands skills, and dance skills. Regardless of how Napoleon views the quality of his many “skills,” it is up to an employer to decide if these skills are valued in the market through the goods or services that Napoleon is able to produce. This concept is known as derived demand, i.e., the demand for Napoleon’s labor results from the demand for final goods and services produced by Napoleon. The dollar value of a worker’s contribution to market output is described as marginal revenue product (MRP), and although Napoleon’s skills are numerous, his MRP is likely quite small.

Multiple-Choice Question

The concept of determining demand for labor (or any other input) from examining the demand for final goods and services is known as:

- a) labor demand
- b) input demand
- c) derived demand
- d) output-input demand

Discussion Question

How might one measure Napoleon’s marginal revenue product (MRP)?