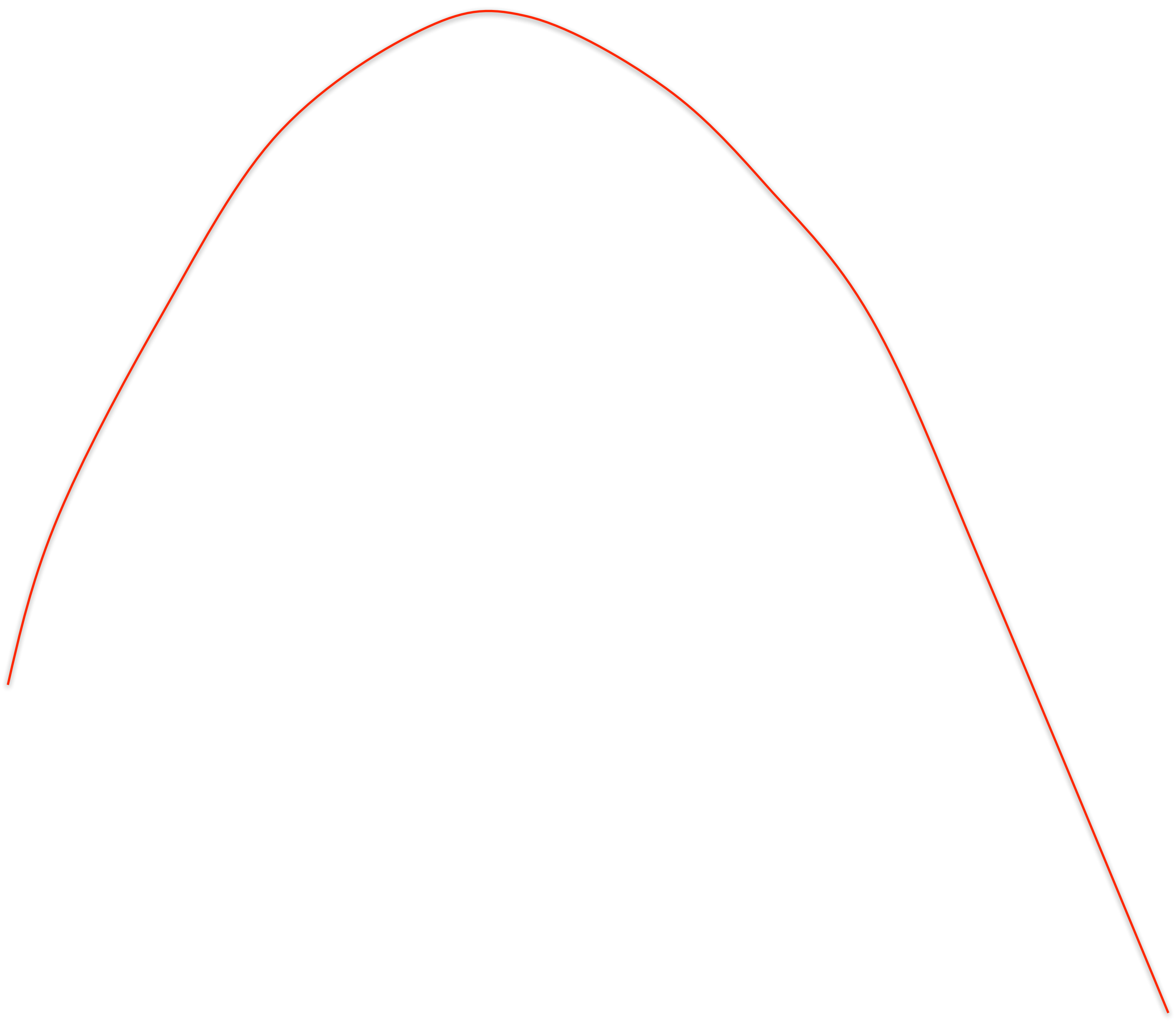




MP

AP



MP

Higher

AP

lower

MP

lower

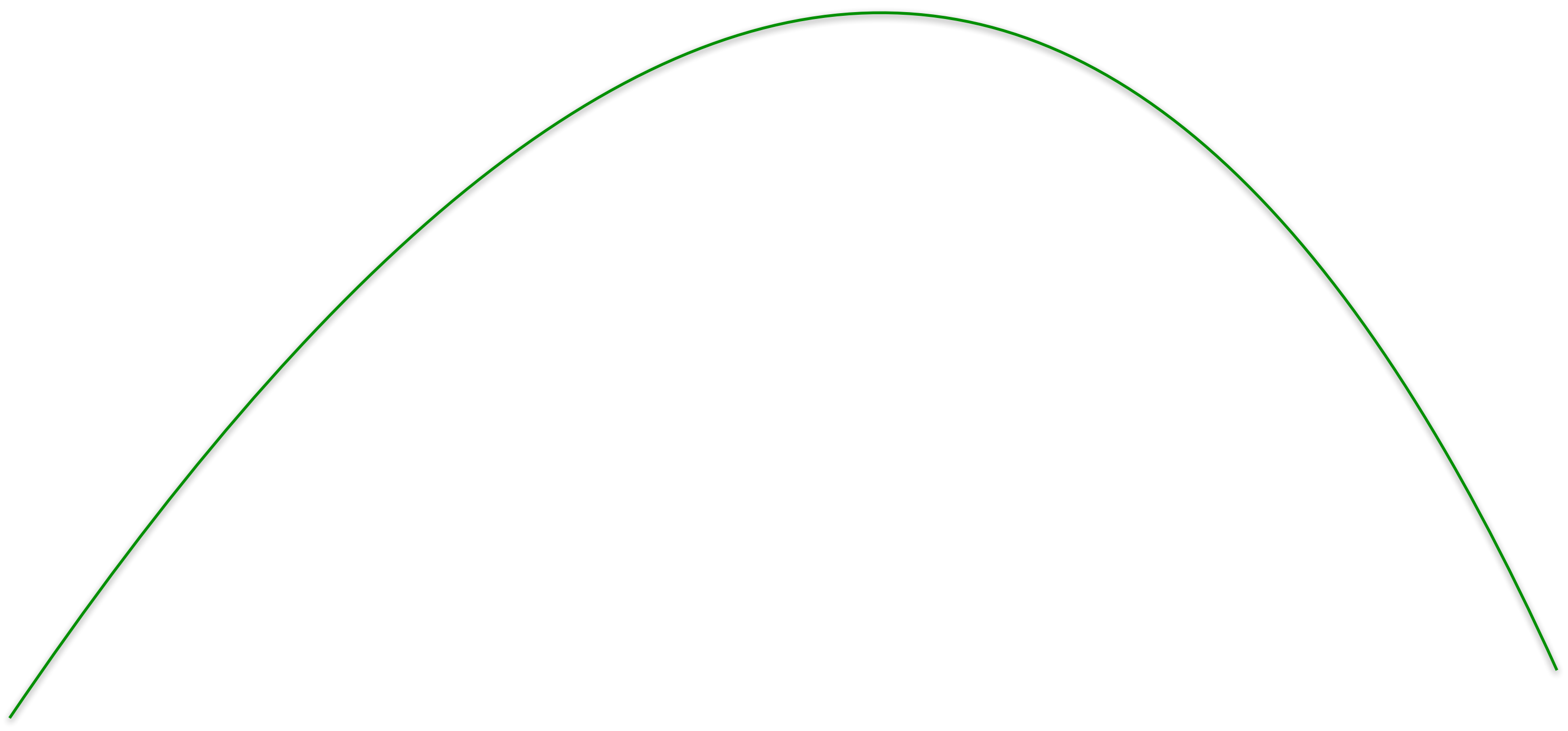
AP

higher

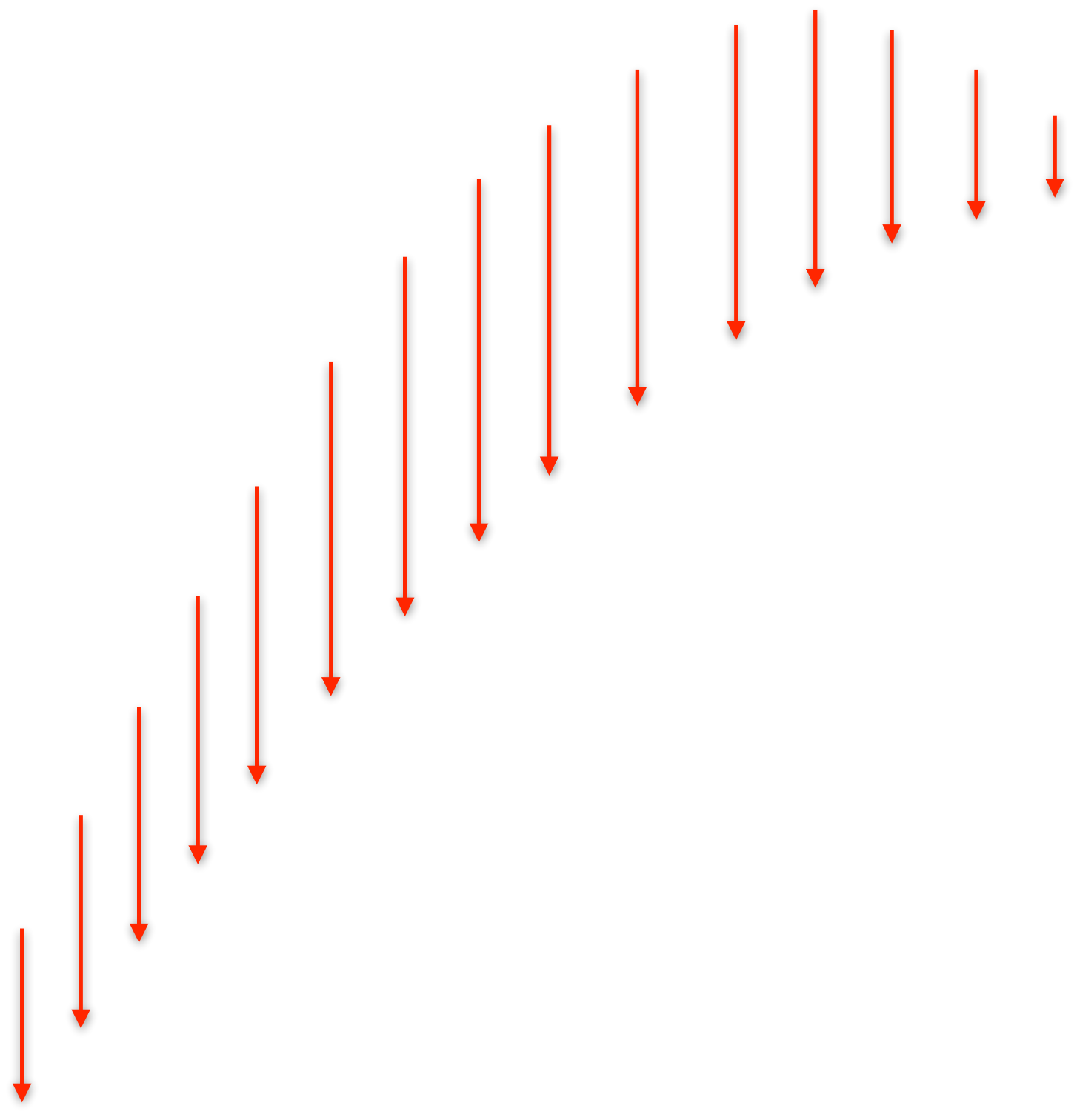


AP does not
change

The Average/Marginal Rule in a graph





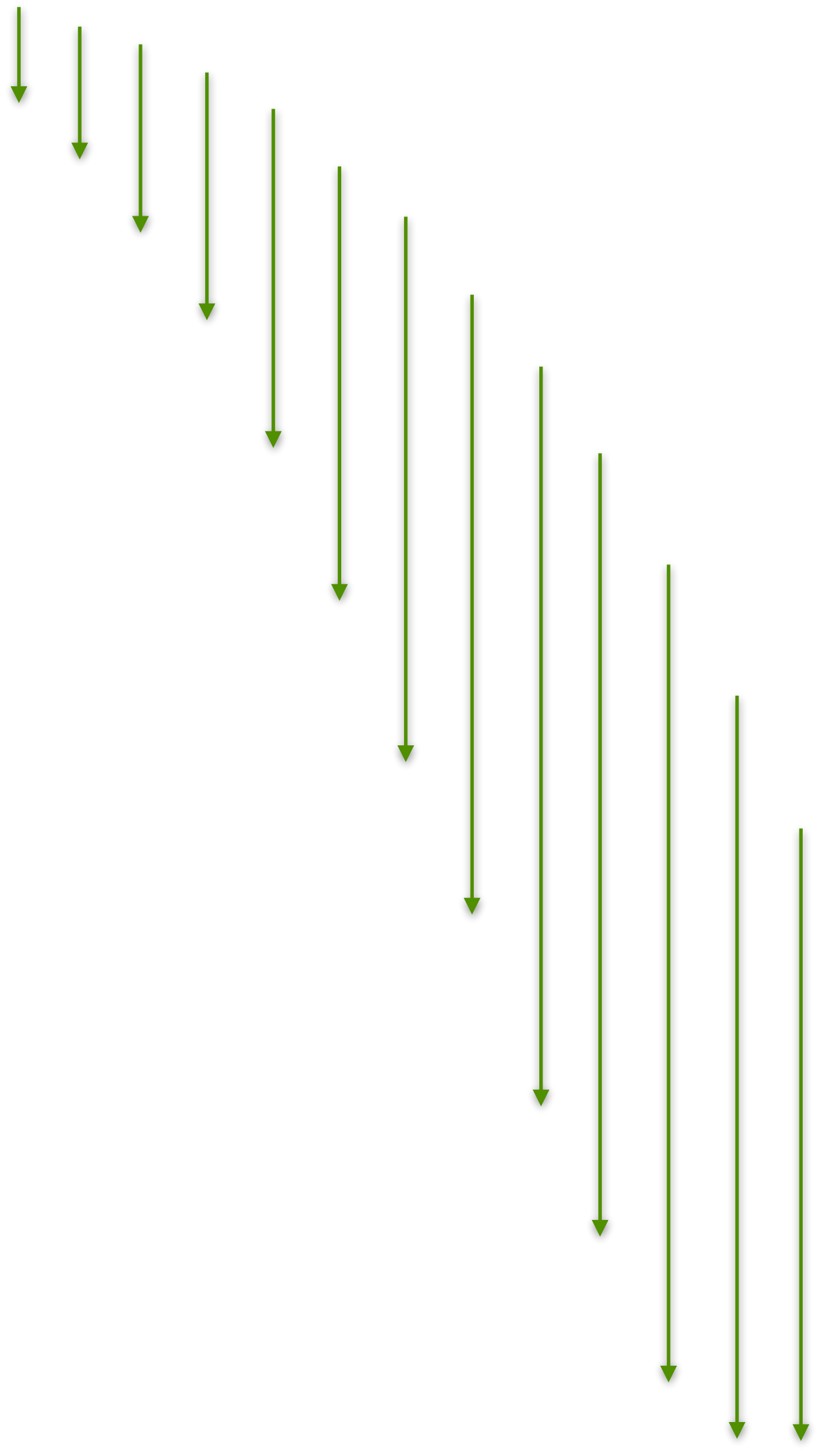


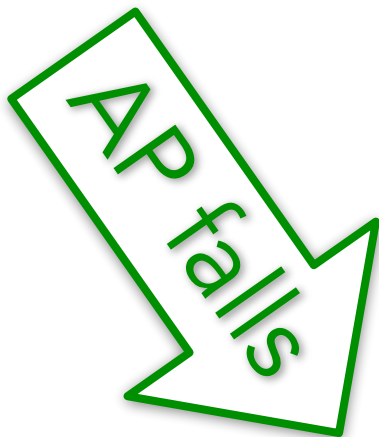
AP

=

MP







If $MIP > AP$

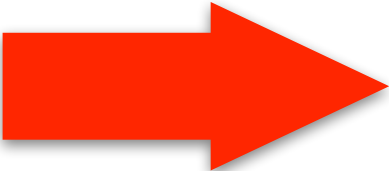
AP
rise

If $MIP < AP$

AP fall

If **MIP** = **AP**

AP remains the
same



MP line crosses the AP line at the point

where the AP is maximum

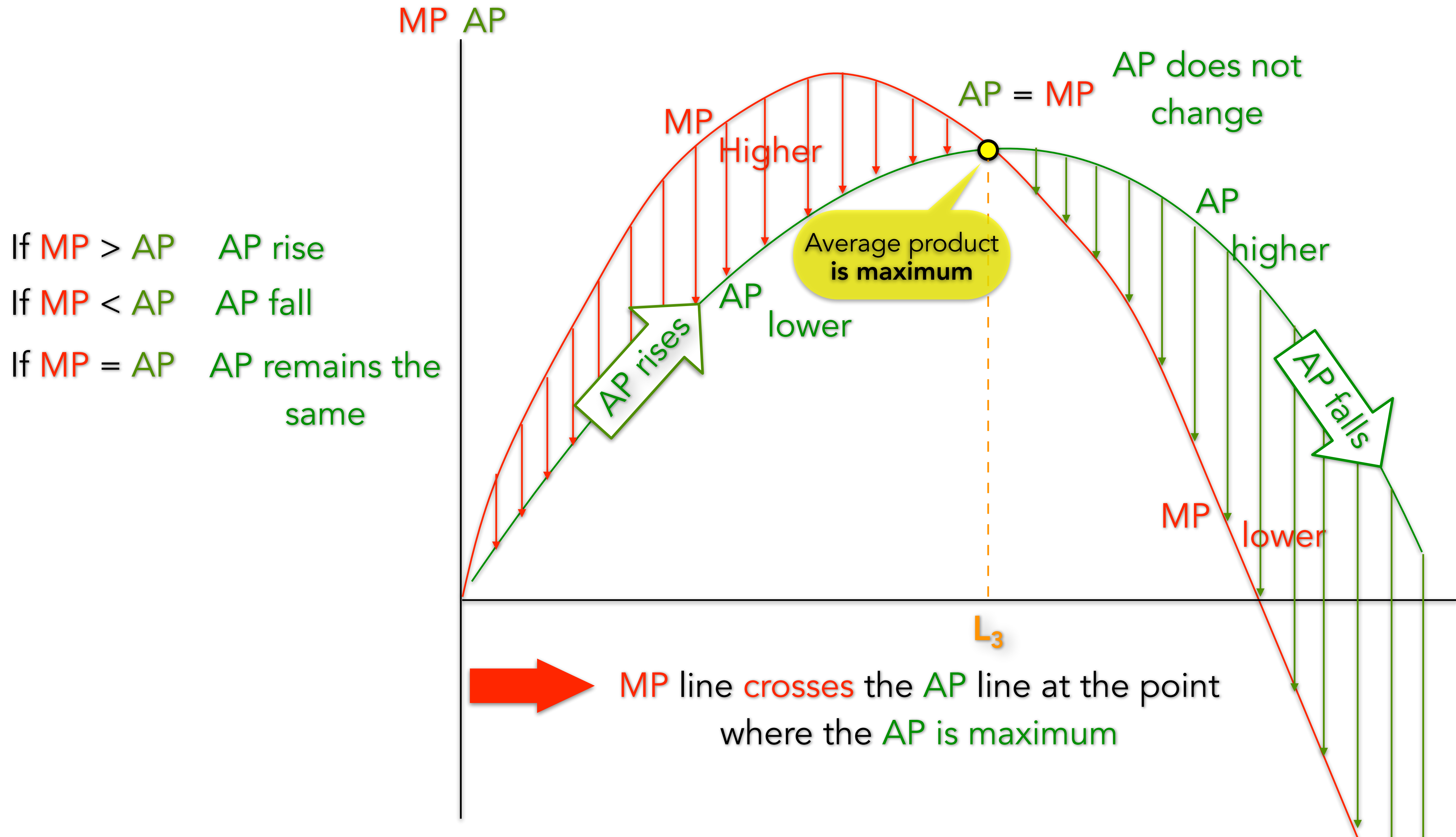


Average product
is maximum



L_3

The Average/Marginal Rule in a graph



A Typical Production Function

