

The Average/Marginal Rule

If the next worker's **MP** is higher than the previous average

Average RISE

If the next worker's **MP** is lower than the previous average

Average FALLS

If the next worker's **MP** is equal to the previous average

Average stays the SAME

MP

>

AP

AP
rise

MP

<

AP

AP fall

MP

=

AP

AP remains the same

The Average/Marginal Rule

If the next worker's **MP** is **higher** than the previous average

$$\text{MP} > \text{AP} \quad \text{AP rise}$$

If the next worker's **MP** is **lower** than the previous average

$$\text{MP} < \text{AP} \quad \text{AP fall}$$

If the next worker's **MP** is **equal to** the previous average

$$\text{MP} = \text{AP} \quad \text{AP remains the same}$$

The Average/Marginal Rule in a graph

