$MP_K = 30$ units

Price of output = $10

$MRP_K = MP_K$ x Price of output

$MRP_K = 30 \text{ units} \times \$10$

Revenue generated by that machine: MRP_K = $300

Buy this machine if the revenue it generates exceeds the Price of Capital (P_K)

Should this machine be purchased?

Hire this worker if his/her

MRP_K > Price of Capital (P_K)

If Price of Capital (P_K) < \$300 ⟶ Buy the machine

If Price of Capital (P_K) > $300 ⟶ Do not buy the machine

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Possible Input Combinations