



$MP_L$ : Marginal Product of Labor

Increase in **output** resulting from the last worker hired  
(Measured in **units of output**)

$MRP_L$ : Marginal Revenue Product of Labor

Revenue generated by the last worker hired (Measured  
in dollars)

$$MRP_L = MP_L \times \text{Price of output}$$

Change in TP

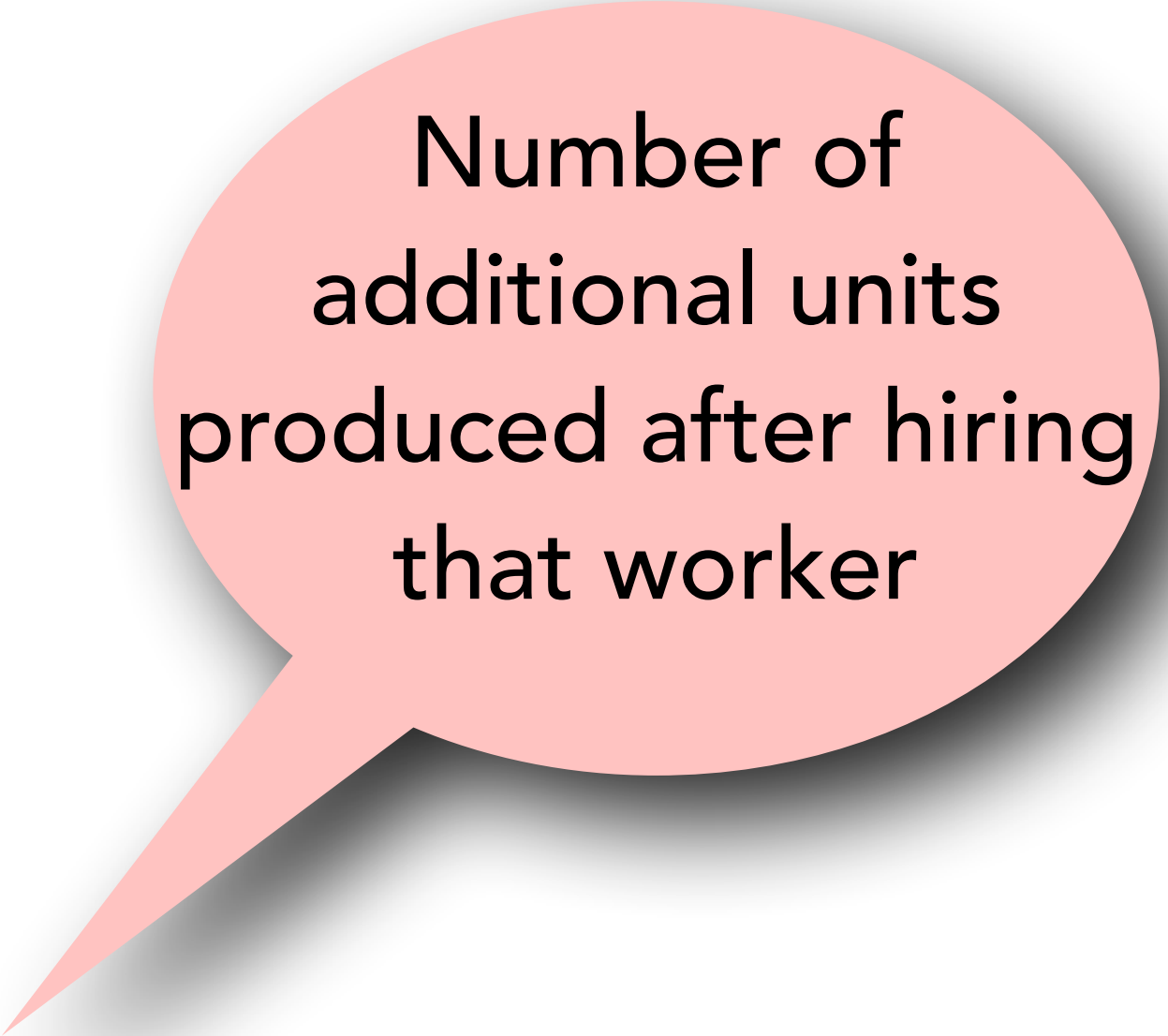
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Change in L


MPL =




$$MP = \frac{\Delta T P}{\Delta L}$$



Number of  
additional units  
produced after hiring  
that worker

A pink speech bubble with a tail pointing towards the bottom-left corner. The bubble has a soft drop shadow behind it.

Price at which  
those units will be  
sold



Revenue the  
firms gets from  
hiring that  
worker

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Increase in **output** resulting from the last worker hired  
(Measured in **units of output**)

$$MP_L = \frac{\text{Change in TP}}{\text{Change in L}}$$

$$MP = \frac{\Delta TP}{\Delta L}$$

Revenue the  
firms gets from  
hiring that  
worker

: Marginal

Revenue gen  
(in dollars)

Number of  
additional units  
produced after hiring  
that worker

Price at which  
those units will be  
sold

(Measured

$$MRP_L = MP_L \times \text{Price of output}$$