$MP_K = 30$ units

Price of output = $10

$$MRP_K = MP_K \times \text{Price of output}$$

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

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?

Buy this machine if its 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

Should this machine be purchased?

MP_K = 30 units

Price of output = $10

MRP_K = MP_K x Price of output

MRP_K = 30 units x $10

Revenue generated by that machine: MRP_K = $300

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

Buy this machine if its MRP_K > Price of Capital (P_K)

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Possible Input Combinations