The Average/Marginal Rule

5/3/17

Average Product (AP) = TP/L

$$TP = MP_1 + MP_2 + MP_3 + \ldots$$

$$MP_1 + MP_2 + MP_3 + \ldots$$

AP=

L

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Average Product (AP) = TP/L

$$TP = MP_1 + MP_2 + MP_3 + \ldots$$

$$AP = \frac{MP_1 + MP_2 + MP_3 + \ldots}{L}$$

Suppose we have the MP for three workers: