



$MP_K$  : Marginal Product of Capital

Increase in **output** resulting from the last machine  
purchased (Measured in **units of output**)

$MRP_K$ : Marginal Revenue Product of Capital

Revenue generated by the last machine purchased  
(Measured in dollars)

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

Change in TP

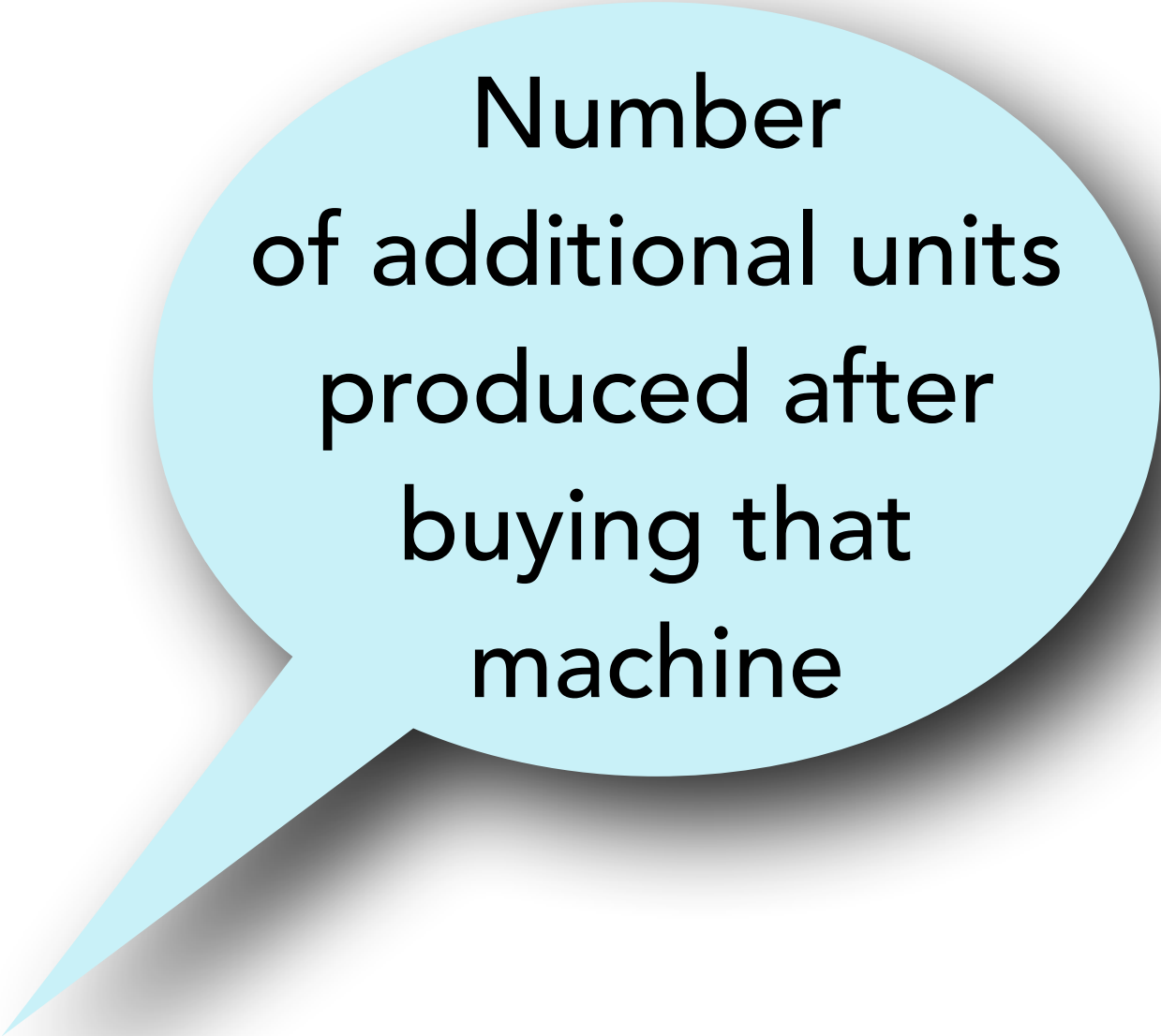
---

Change in K


MPK =




$$MP_K = \frac{\Delta TP}{\Delta K}$$



Number  
of additional units  
produced after  
buying that  
machine

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  
buying that  
machine

# $MP_K$ : Marginal Product of Capital

Increase in **output** resulting from the last machine purchased (Measured in **units of output**)

$$MP_K = \frac{\text{Change in TP}}{\text{Change in K}}$$

$$MP_K = \frac{\Delta TP}{\Delta K}$$

Revenue the  
firms gets from  
buying that  
machine

$MP_K$ : Marginal

Revenue gen

Measured in (dollars)

Number  
of additional units  
produced after  
buying that  
machine

Price at which  
those units will be  
sold

capital  
purchased

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

Should this **worker** be hired?