

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

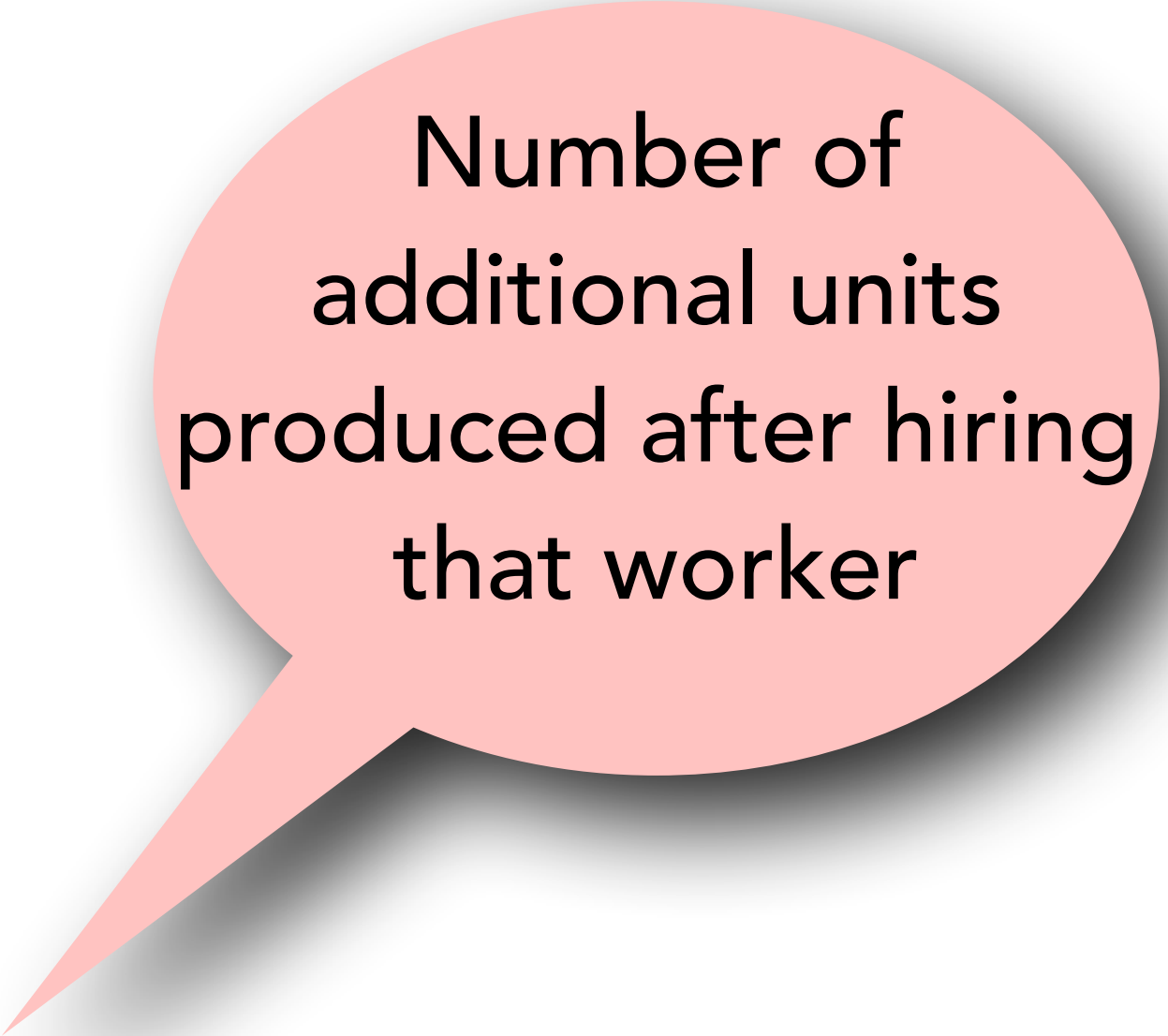
Change in L

MPL


L

=


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



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

MP_L : Marginal Product of Labor

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
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worker

: Marginal

Revenue gen
n dollars)

Number of
additional units
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Price at which
those units will be
sold

ed (Measured

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