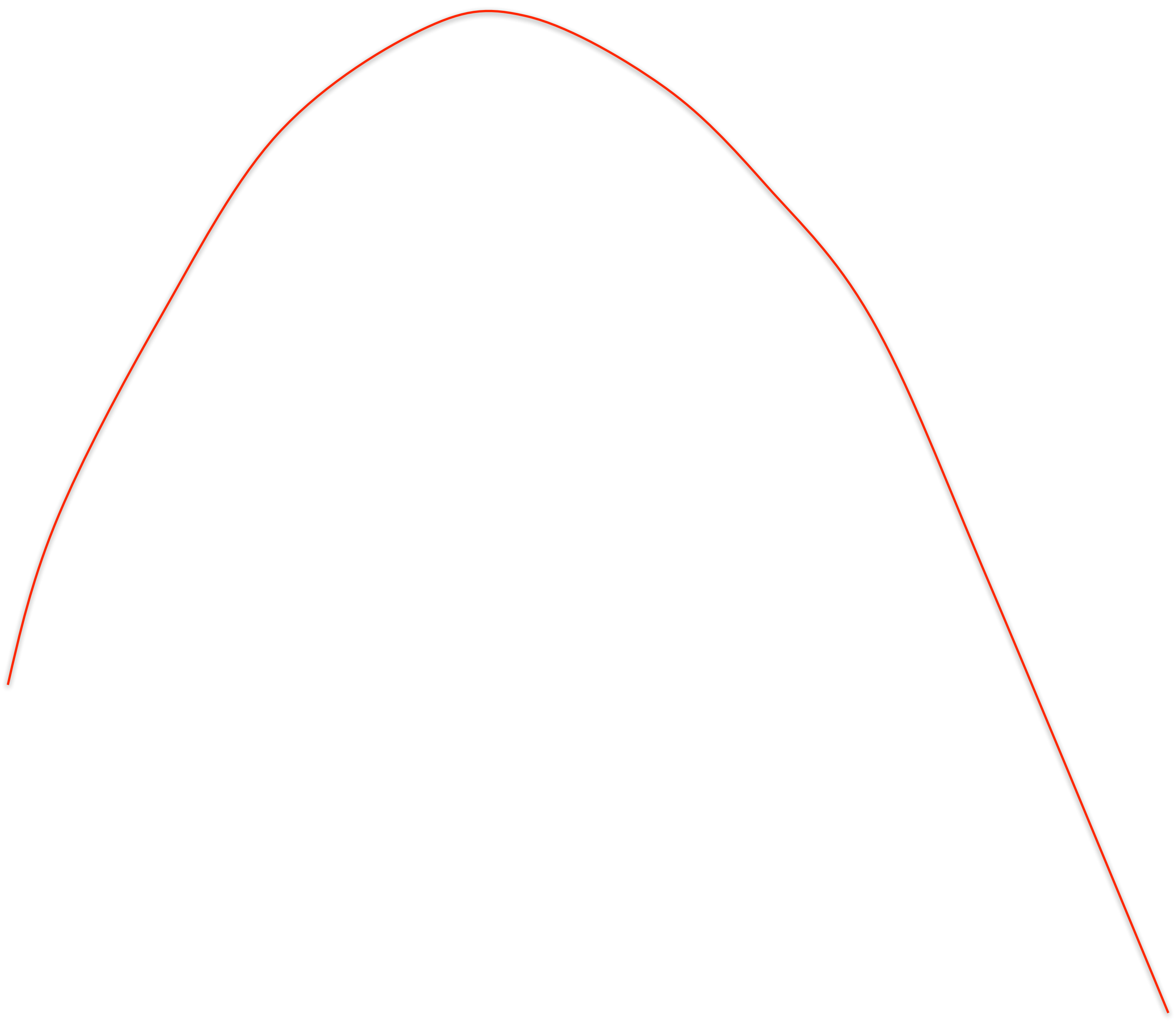






MP

AP



MP

Higher

AP

lower

MP

lower



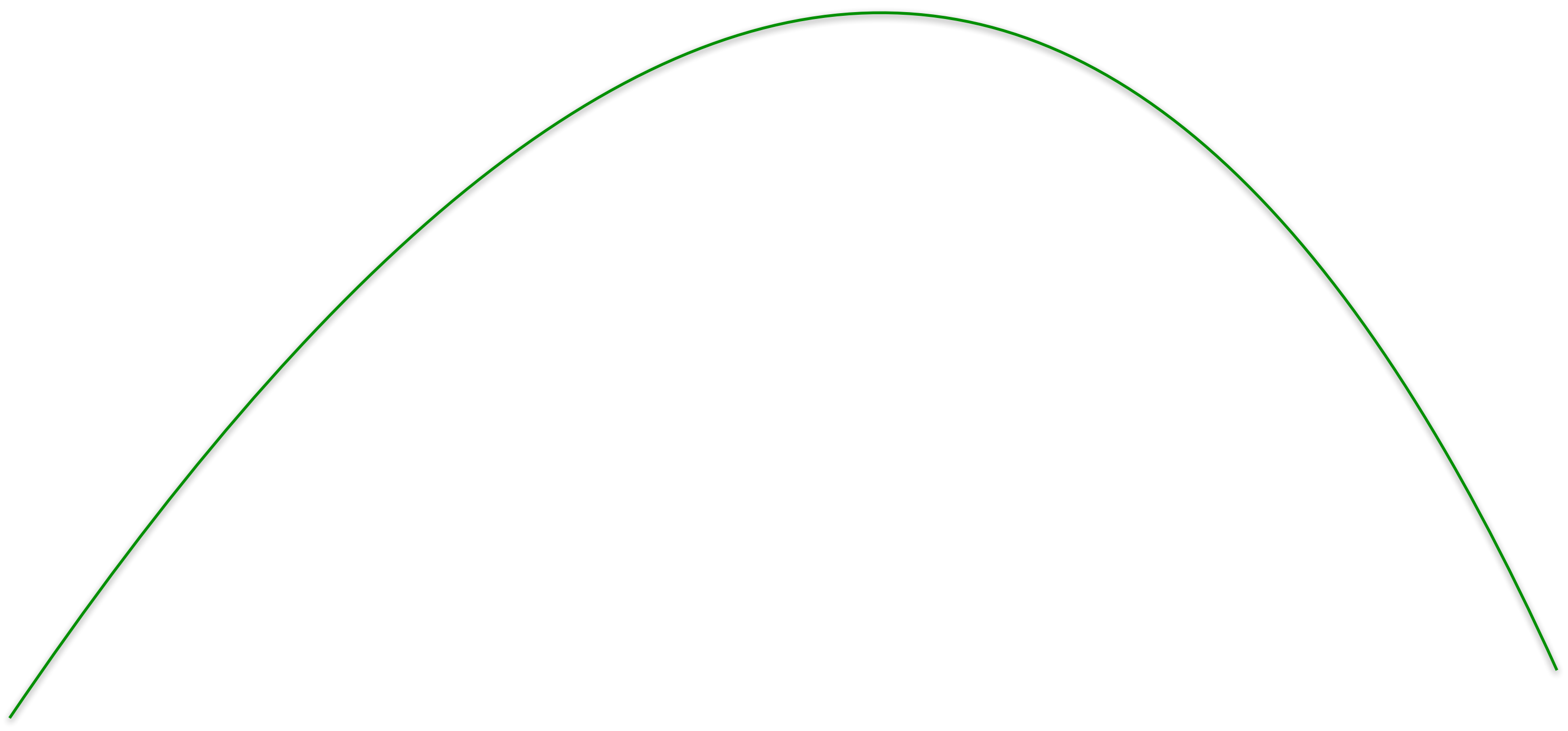
AP

higher

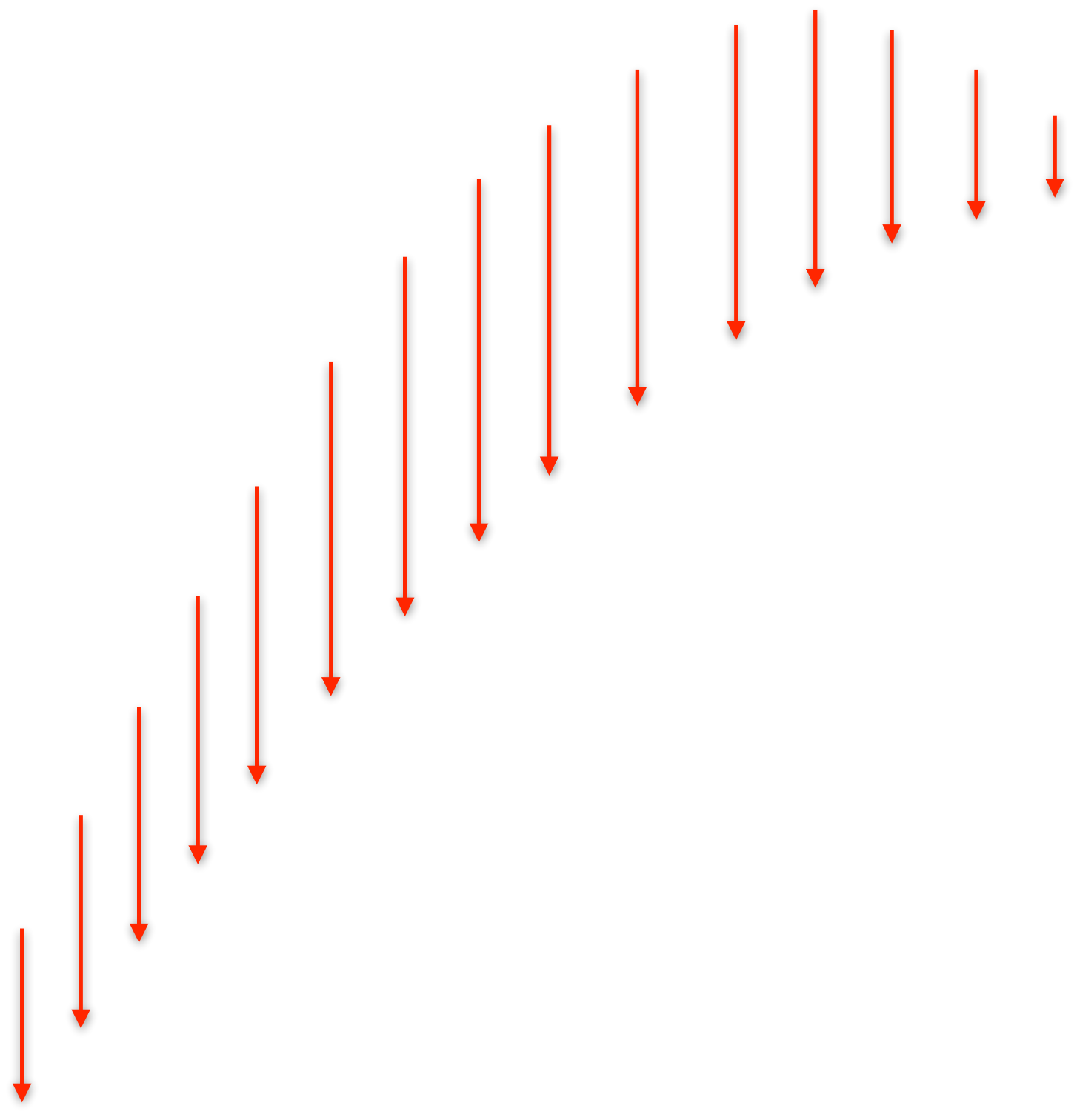


AP does not  
change

The Average/Marginal Rule in a graph







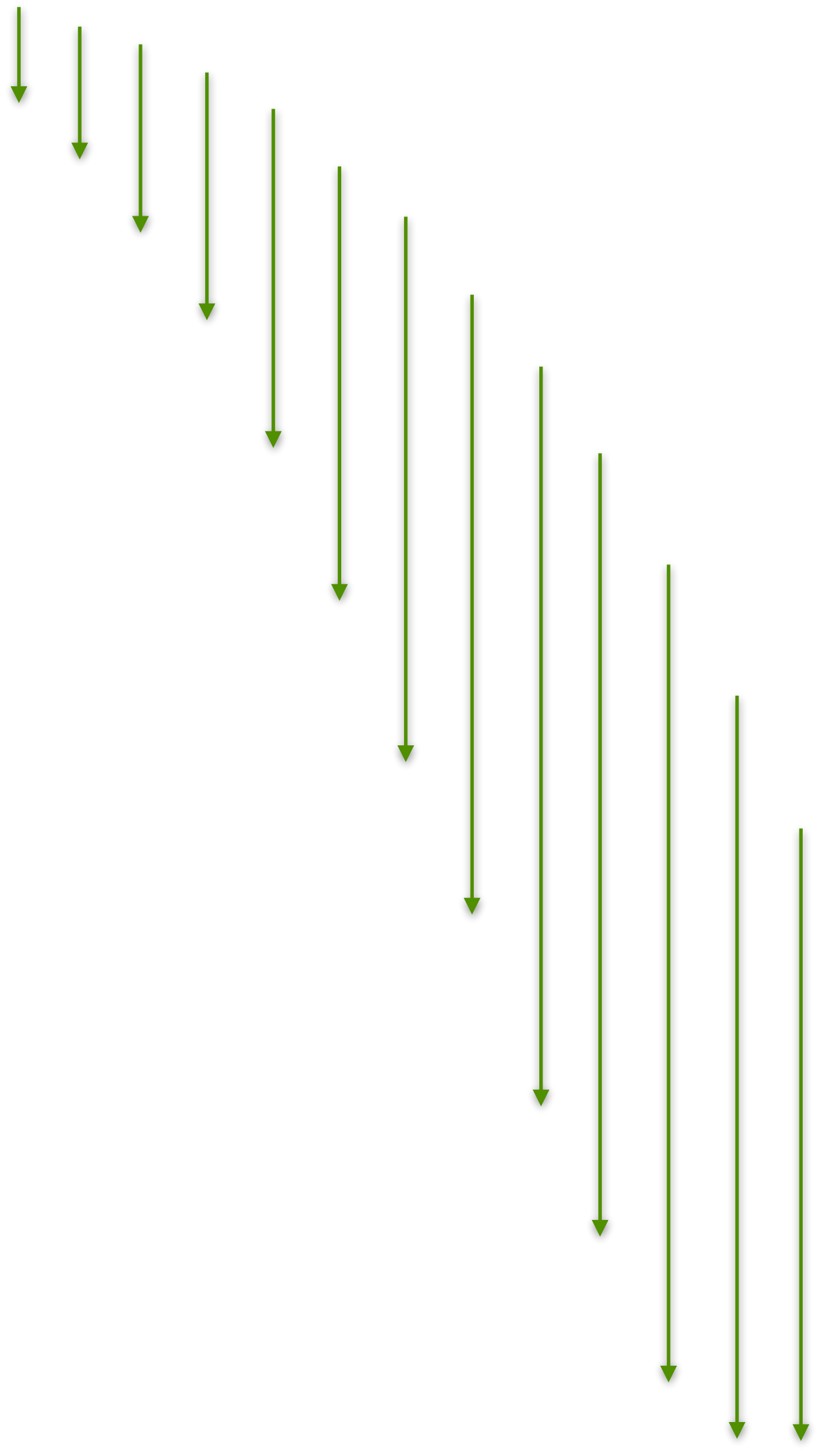
AP

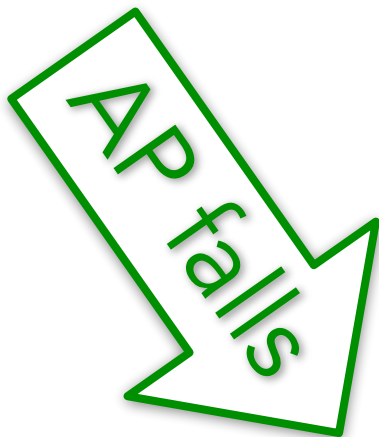
=

MP









If  $MIP > AP$

AP rise

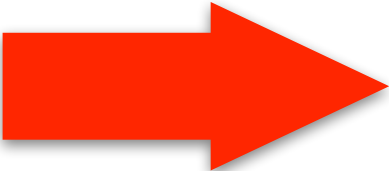
If  $MIP < AP$

AP fall

If **MIP** = **AP**



AP remains the  
same



MP line crosses the AP line at the point

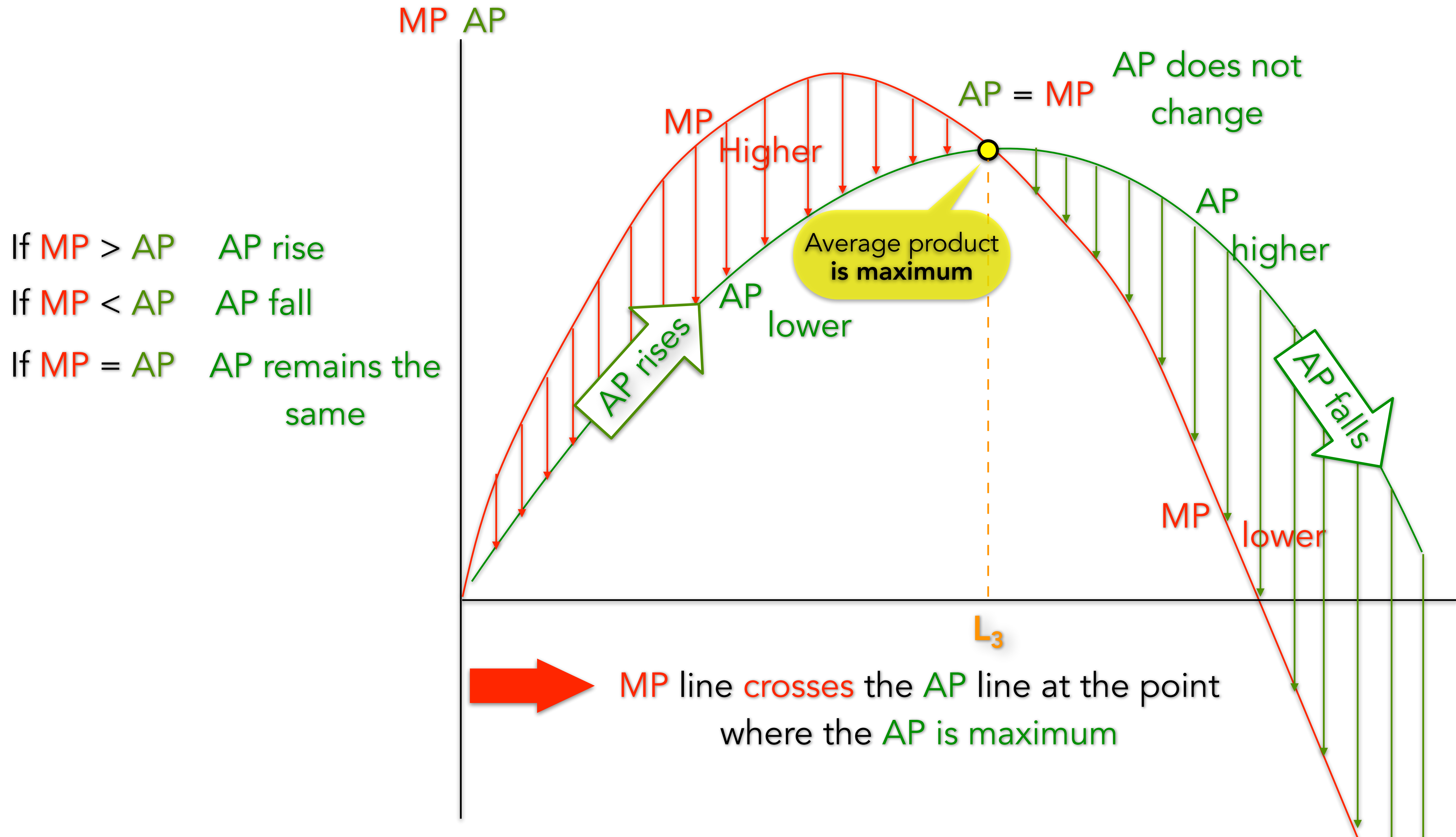
where the AP is maximum



Average product  
is maximum

$L_3$

# The Average/Marginal Rule in a graph



# A Typical Production Function

