

The Average/Marginal Rule

If the next worker's **MP** is higher than the previous
average

Average RISES

If the next worker's **MP** is lower than the previous
average

Average FALLS

If the next worker's **MP** is equal to the previous
average

Average stays the SAME

MP

>

APL

Average RISERS

MP

<

APL



MP

=

APL

Average stays the SAME

The Average/Marginal Rule

If the next worker's **MP** is **higher** than the previous average

$$MP > AP_L \quad \text{Average RISES}$$

If the next worker's **MP** is **lower** than the previous average

$$MP < AP_L \quad \text{Average FALLS}$$

If the next worker's **MP** is **equal to** the previous average

$$MP = AP_L \quad \text{Average stays the SAME}$$

The Average/Marginal Rule

