

The Average/Marginal Rule

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

Average RISE

If the next worker's **MIP** 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

>

AP

Average RISE

MP

<

AP

Average FALLS

MP

=

AP

Average stays the SAME

The Average/Marginal Rule

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

$$\text{MP} > \text{AP} \quad \text{Average RISE}$$

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

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

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

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

