MP_K = Marginal Product of Capital

Increase in output resulting from the last machine purchased (Units of output)

MRP_K=Marginal Revenue Product of Capital

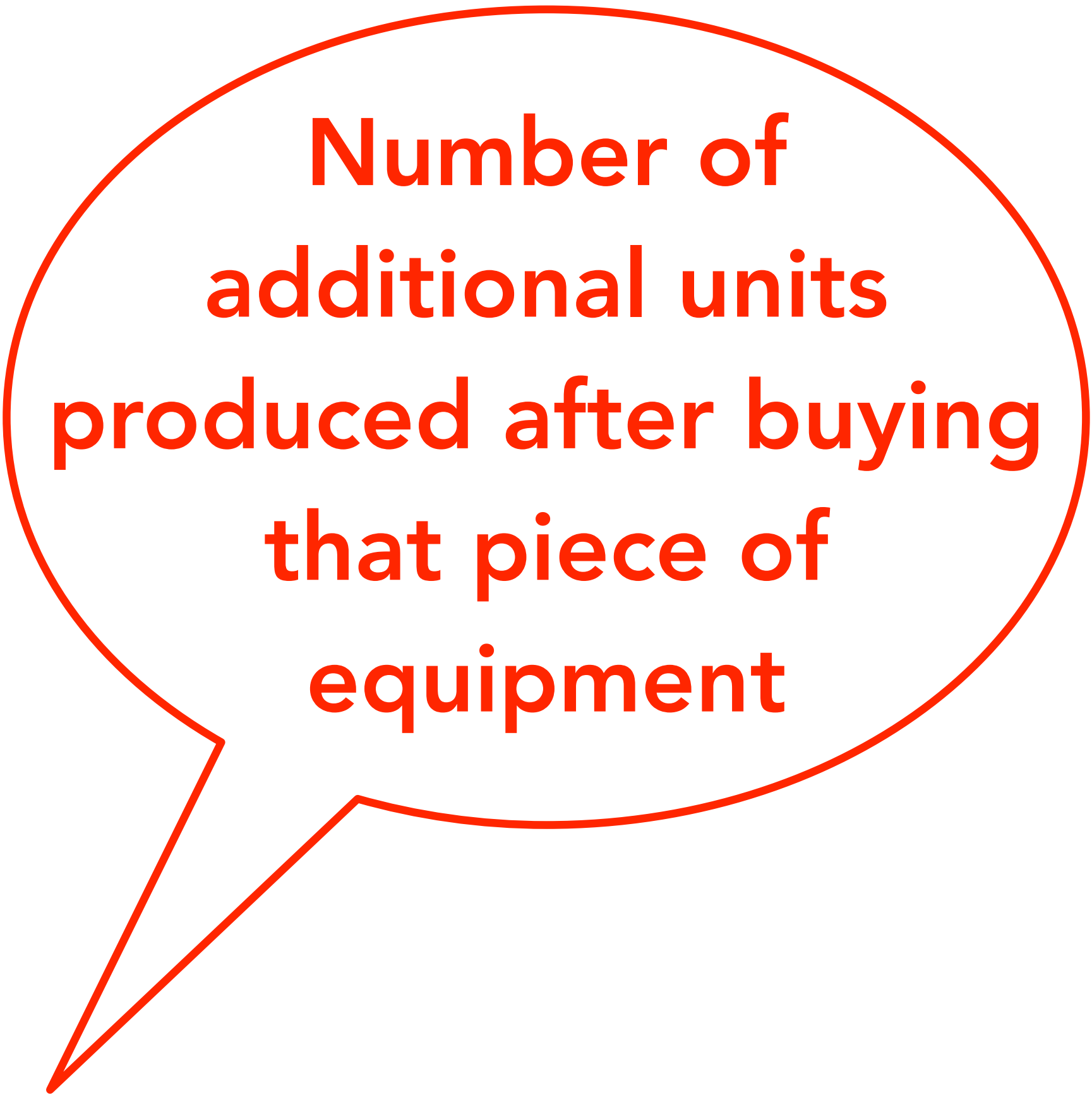
Revenue generated by the last machine purchased(Dollars)

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

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

$$MP_K =$$

$$MP_к = \frac{\Delta TP}{\Delta K}$$


Number of additional units produced after buying that piece of equipment


Price at
which those
units will be
sold


Revenue the firms gets from buying that piece of equipment

MP_K = Marginal Product of Capital

Increase in output resulting from the last machine purchased (Units of output)

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

rginal P duc

e generate ast ma

purcha ed(Dollars)

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

Revenue the firms gets from buying that piece of equipment

Number of additional units produced after buying that piece of equipment

Price at which those units will be sold

Should this worker be hired?