





# 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 **MIP** is equal to the previous average



Average stays the SAME

MP

>

APL

Average RISES

MP

<

AP<sub>L</sub>

Average FALLS

MP

=

AP<sub>L</sub>

Average stays the SAME

# The Average/Marginal Rule

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

$MP > AP_L$       Average **RISES**

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

$MP < AP_L$       Average **FALLS**

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

$MP = AP_L$       Average stays the **SAME**



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