





$MP_K =$ 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)

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

Change in TP

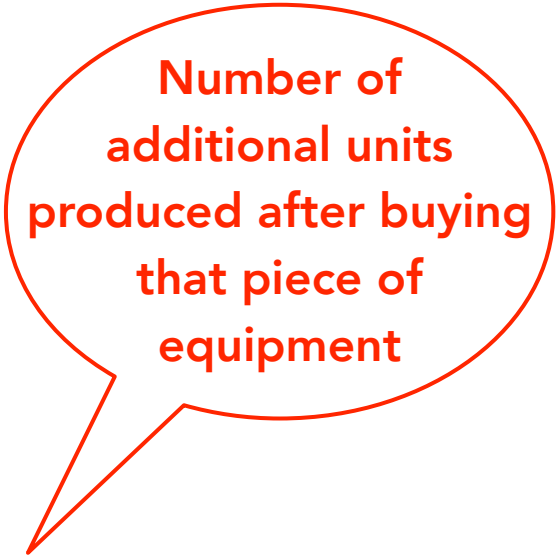
Change in K

MP

K

=


$$MP_K = \frac{\Delta TP}{\Delta K}$$

A red speech bubble with a tail pointing towards the bottom-left corner. The bubble is filled with white space and contains red text. The text is centered and reads: "Number of additional units produced after buying that piece of equipment".

**Number of
additional units
produced after buying
that piece of
equipment**



**Price at
which those
units will be
sold**

A large, black-outlined speech bubble with a tail pointing towards the bottom right. Inside the bubble, the text "Revenue the firms gets from buying that piece of equipment" is written in a bold, black, sans-serif font, arranged in four lines.

**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**)

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

$$MP_K = \frac{\Delta TP}{\Delta K}$$

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

generate last machine purchased (**Dollars**)

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

Should this worker be hired?