

The Average/Marginal Rule

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

Average RISES

If the next worker's **M****P** 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_L

Average FALLS

MP

=

AP_L

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**

The Average/**Marginal** Rule

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