

CONCEPT OF TOTAL, AVERAGE AND MARGINAL PRODUCTIVITY

TOTAL PRODUCT

This the total quantity of goods produced at a particular
time

Total product = average product multiplied by labour

$$(Tp = Ap \times L)$$

AVERAGE PRODUCT

This is the total product divided by the variable factor
(quantity)

Average product =total product/ variable factor

(AV=TP/Q OR VF)

MARGINAL PRODUCT

This is the additional product obtained from addition of variable factor or quantity. It shows the rate of change in the total product as factor varies or quantity varies

Change in total product / change in quantity (MP=
Tp2-Tp1/q2-q1)

Note : Kindly note that calculations will be done in
class