

OBJECTIVE

1. To understand what the theory of distribution seeks to explain.
2. To understand the role of marginal productivity theory of distribution in factor pricing.
3. Knowing the meanings of marginal physical productivity, marginal value productivity and marginal revenue productivity.
4. Understanding the mechanism of how the marginal productivity theory of distribution operates with its underlying assumptions and limitations.
5. To learn the process of wage determination in perfect competition and monopoly market structure.