**MICROECONOMICS XI.**

1. The demand curve for the monthly production of a monopoly clock manufacturer is given by the following equation: Q = 10,000 – 100 P. If the MC of clock production is constant and equal to 10 crowns, how many clocks will the producer (maximizing his profit), produce per month and at what price will it sell them? What would be the production and price of the clocks if they were sold in a perfectly competitive market?
2. The monopolist tries to maximize his profit. It can sell 10 units of production for 15 CZK or 11 units for 14 CZK. Calculate the marginal revenue of eleventh sold unit.
3. The demand curve of the monopoly has a shape: P = 50 – 0.001 Q. The total costs are expressed as follows: TC = 100,000 + 10 Q – 0.0002 Q2. Determine the price and quantity at which the monopoly maximizes its profit.
4. How many pieces of final production will be supplied by the monopoly company shown below, maximizing its total profit?
5. 40
6. 75
7. 90
8. 100
9. we don't have enough data to answer.

 40 75 90 100 200 Q

P

38

25

23

16

10

MC

 AC

D

MR

1. At the optimum point, the total profit of the above company is:

a) 600

b) 975

c) 1200

d) 2850

e) none of the previous answers are correct.

1. Determine the amount of goods that will be produced by other companies operating in an oligopolistic market structure, if you know that the price of the produced goods is 20 CZK, the demand for the production of the dominant company has the form P = 50 – 6.25Q and market demand takes the form P = 120 – 14.375Q.
2. An imperfect competitor wants to maximize his total revenue. The demand curve is described by the equation P = 400 – 20Q. How much production should this firm supply and at what price?
3. The average revenue of a company can be expressed by the function AR = 20 - 2Q and the average costs by the function AC = 3Q. Assume that:

a) The company maximizes the profit, determine the volume of production and the market price at which the profit is maximized and determine the amount of this profit

b) The company maximizes turnover, calculate the volume of production and the price at which turnover is maximized. What profit does this company achieve at the point of maximum turnover?

c) Calculate the volume of production and the market price at which the company maximizing turnover achieves zero economic profit.

d) All draw on a figure and compare.

1. A monopoly competing company seeks to maximize profits, AR = 86 – 4Q a TC = 3Q² + 2Q + 4.
2. What will be the equilibrium price and equilibrium quantity in the short run?
3. Determine the amount of profit.
4. Can the size of the firm's fixed costs be determined?
5. What will be the price in the long run?

1. The market demand curve is given by the relation P = -2Q + 40. The part of market demand that belongs to the dominant company is given by the function p = -q + 20. The amount of costs of the dominant company is AC = MC = 4. All companies in the industry maximize their profits. Calculate:

a) the volume of production supplied by the dominant firm

b) the price at which the dominant firm sells

c) the volume of production that supplies a "competitive edge"

d) the price at which the "competitive edge" sells and why

e) draw everything on the figure

1. Can there be a case where the monopoly is loss-making? If so, show graphically. If not, explain why.
2. Determine the condition of the balance of the dominant company maximizing profit, determine the price and volume of its production, the price and volume of production of the whole industry.

P

 MC AC

 MR d D

 A B C D E F G H I J K Q

Z

Y

X

W

V

1. The figure shows the situation of a natural monopoly.
2. Decide whether the state should approach the price regulation of this company according to the AC or MC criteria. Justify.
3. Determine the amount of the regulated PR price and the regulated volume of QR production.
4. Determine the amount of profit for such a regulated monopoly.

 P

 MC

 AC

 D

 Q

 MR