

$$MR = P(1 - \frac{1}{E_d})$$

$$MR = 4ML(1 - \frac{1}{E_d})$$

$$ML = 4ML(1 - \frac{1}{E_d})$$

$$E_d = \frac{4}{3}$$

b.

$$\begin{cases} P = a - bq \\ MR = a - 2bq \end{cases}$$

$$MR = a - 2bq$$

$$MR = ML + t = k + t$$

$$q^* = \frac{a - (k+t)}{2b}$$

$$p^* = \frac{a - (k+t)}{2} = \frac{a + (k+t)}{2}$$

$$p^* = p_0 - \Delta p = \frac{t}{2}$$

c.

$$ML_A = ML_B = MR$$

$$4q_A = 8q_B \Rightarrow 2q_A = 2q_B$$

$$\Rightarrow q_A = 40 \quad q_B = 20 \quad P = 20$$