

$$(A) TR = (100 - q)q = 100q - q^2$$

$$MR = 100 - 2q$$

$$MC = 20$$

$$(B) \frac{40 \times 40}{2} = 800$$

$$(C) \frac{P - MC}{P} = 0.67$$

$$(D) \pi = 100q - q^2 - (30 + 20q) = 10q$$

$$\frac{d\pi}{dq} = -2q + 70 \quad \pi = 1195$$

$$(F) \pi = 1570 - 1000 = 570$$

$$(G) \pi = 1570 (1 - 0.2) = 1256$$

$$(E) p^* = \frac{550}{q}$$

$$(H) \pi = MC$$

$$5. \frac{P - MC}{P} = \frac{1}{E} \quad P = 4MC \quad \frac{4MC - MC}{4MC} \rightarrow \frac{3}{4} = \frac{1}{E} \quad E = \frac{4}{3}$$

$$6. P = a - bq \quad MK = a - 2bq$$

$$p^* = a - \frac{a - (k_1 + k_2)}{2} = \frac{a + (k_1 + k_2)}{2} \quad p = \frac{a + k}{2} \quad p^* = \frac{1}{2} p^*$$

$$7. MCA - MC B = MR$$

$$q_A = 40 \quad q_B = 20 \quad p = 220$$