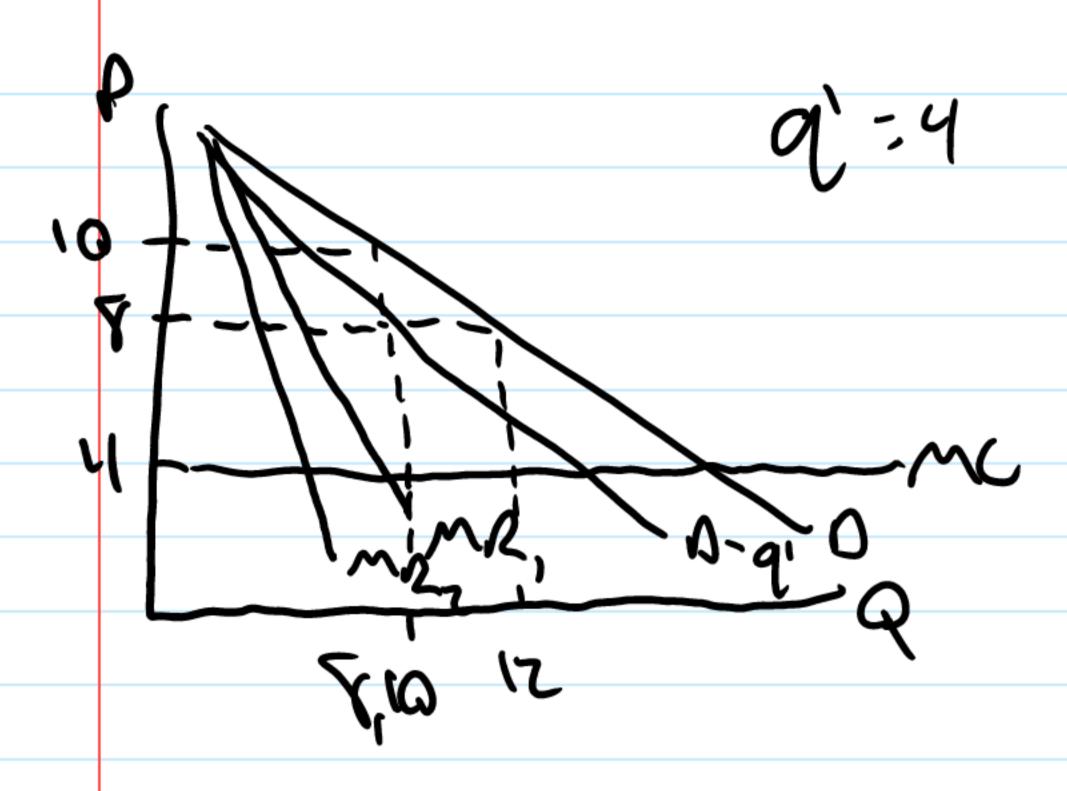
5.11 5.12 Valuing Direct Supply in Monopoly Markets - Examples

Thursday, September 17, 2020 4:28 PM



$$U(5 = (10-8) \cdot 10 + \frac{1}{2}(10-8)(12-10) = 22$$

$$U(5) = (10-4)(10) - (8-4)(8) = -28$$

$$U(5) = (10-4)(10) - (8-4)(8) = -28$$

$$U(5) = (10-4)(10) - (8-4)(8) = -28$$

METB= 2 055=22-28+1,2.32

Po=10, Qo=10, q'=4, 3 =-2 -7= 29 - 2 - 2 = 2-10 . (10 - 2) - 2(P-10) = Q-10 + 30 = Q-2P

9=39-2P

P=15-.50

Nest-dual demand + Q-9+ 2 - 20 = 30-2P-4 = 26-2P

MR > 2P = 26-00 + P=13-.50

MR=ML 7 MR=P((+1/3°)=MC 10(1+1/-2)=MC 10(1/2)=MC ~C=5

Embadies Pareta Efficiency