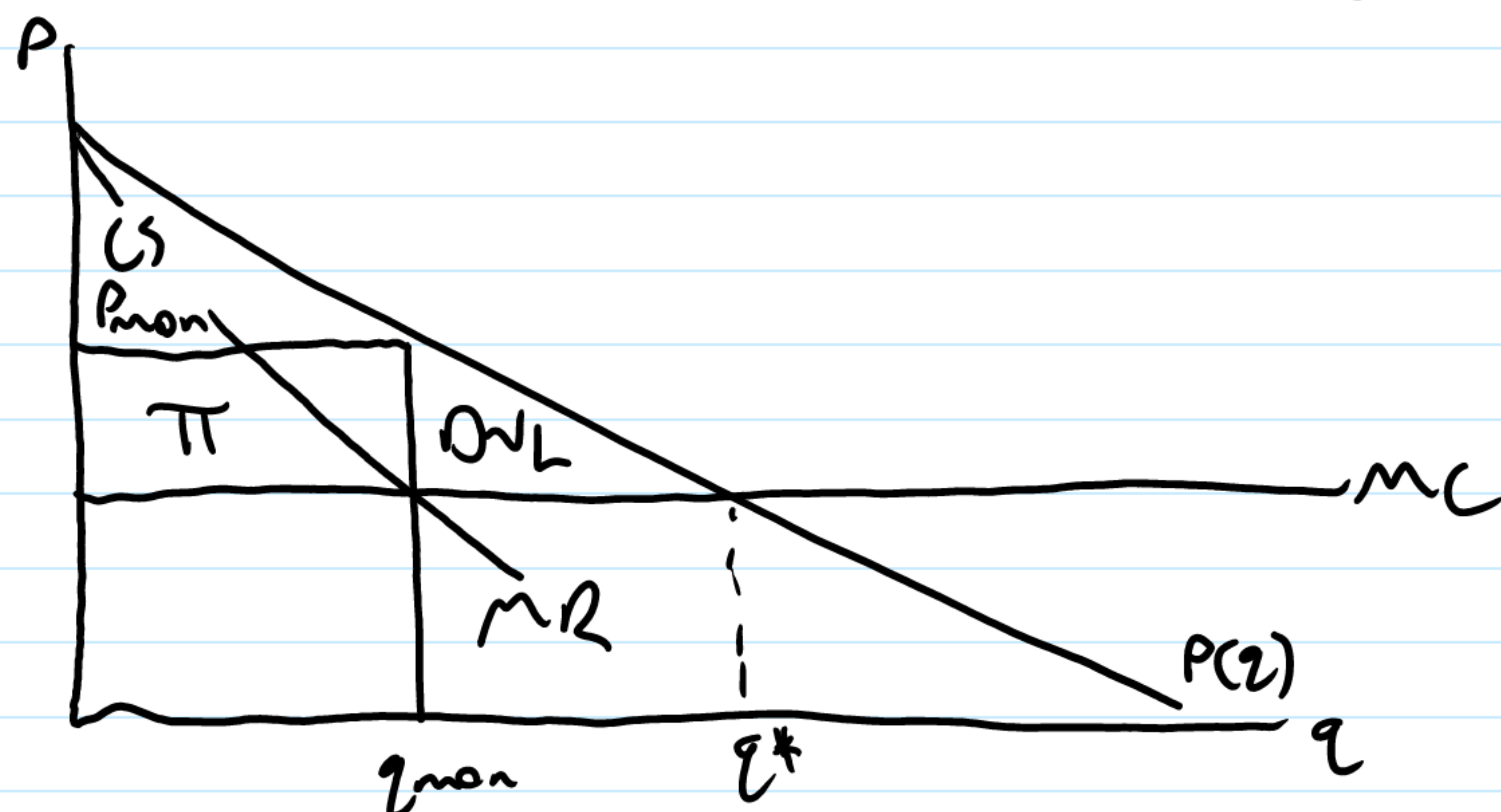# Non Linear Pricing

Block Pricing and Two-Part Pricing

To get rid of DWL, MWTP = MC

block Pricing: sell a bundle at one price (24-Pack of soda)

$$\pi = nP - C(nq^*)$$
$$\pi = N(qs) - C(nq)$$
$$\frac{d\pi}{dq} = n\frac{dv}{dq} - \frac{dc}{d(nq)} \cdot \frac{d(nq)}{dq}$$
$$\frac{dv}{dq} = MWTP$$

Two Part Pricing: Costco membership + goods
$$\pi = n(F + Pq) - C(nq)$$

Menu Pricing: different prices for different bundles

Participation vs selection constraints