## Self-Check Questions

[1](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-9#fs-idp100806496-solution).

Classify the following as a government-enforced barrier to entry, a barrier to entry that is not government-enforced, or a situation that does not involve a barrier to entry.

1. A patented invention
2. A popular but easily copied restaurant recipe
3. An industry where economies of scale are very small compared to the size of demand in the market
4. A well-established reputation for slashing prices in response to new entry
5. A well-respected brand name that has been carefully built up over many years

[2](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-9#fs-idm13007456-solution).

Classify the following as a government-enforced barrier to entry, a barrier to entry that is not government-enforced, or a situation that does not involve a barrier to entry.

1. A city passes a law on how many licenses it will issue for taxicabs
2. A city passes a law that all taxicab drivers must pass a driving safety test and have insurance
3. A well-known trademark
4. Owning a spring that offers very pure water
5. An industry where economies of scale are very large compared to the size of demand in the market

[3](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-9#fs-idm2309808-solution).

Suppose the local electrical utility, a legal monopoly based on economies of scale, was split into four firms of equal size, with the idea that eliminating the monopoly would promote competitive pricing of electricity. What do you anticipate would happen to prices?

[4](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-9#fs-idp761744-solution).

If Congress reduced the period of patent protection from 20 years to 10 years, what would likely happen to the amount of private research and development?

[5](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-9#fs-idm156188544-solution).

Suppose demand for a monopoly’s product falls so that its profit-maximizing price is below average variable cost. How much output should the firm supply? *Hint*: Draw the graph.

[6](http://openstax.org/books/principles-microeconomics-3e/pages/chapter-9#fs-idm138176688-solution).

Imagine a monopolist could charge a different price to every customer based on how much the customer is willing to pay. How would this affect monopoly profits?