## Review Questions

7.

How is monopoly different from perfect competition?

8.

What is a barrier to entry? Give some examples.

9.

What is a natural monopoly?

10.

What is a legal monopoly?

11.

What is predatory pricing?

12.

How is intellectual property different from other property?

13.

What legal mechanisms protect intellectual property?

14.

In what sense is a natural monopoly “natural”?

15.

How is the demand curve perceived by a perfectly competitive firm different from the demand curve perceived by a monopolist?

16.

How does the demand curve perceived by a monopolist compare with the market demand curve?

17.

Is a monopolist a price taker? Explain briefly.

18.

What is the usual shape of a total revenue curve for a monopolist? Why?

19.

What is the usual shape of a marginal revenue curve for a monopolist? Why?

20.

How can a monopolist identify the profit-maximizing level of output if it knows its total revenue and total cost curves?

21.

How can a monopolist identify the profit-maximizing level of output if it knows its marginal revenue and marginal costs?

22.

When a monopolist identifies its profit-maximizing quantity of output, how does it decide what price to charge?

23.

Is a monopolist allocatively efficient? Why or why not?

24.

How does the quantity produced and price charged by a monopolist compare to that of a perfectly competitive firm?