**Perfect Competition and Monopoly Problems**

1. Suppose the typical firm in a perfectly competitive industry has the following long-run total cost function:

What is the long-run price for product Q?

1. Stanley Smith has a soft drink concession monopoly at Fort Tippecanoe, Indiana, County Fair. He believes his total cost for supplying the drinks will be

If the County Fair Board tells him he must charge $0.80 and demand for the drinks during the fair is given by the demand curve

determine the following:

1. The number of drinks sold and Stanley’s total profit at the fixed price of $0.80 per drink.
2. Stanley’s profit-maximizing output, price, and profit if he were allowed to set his own price instead of having to charge $0.80.