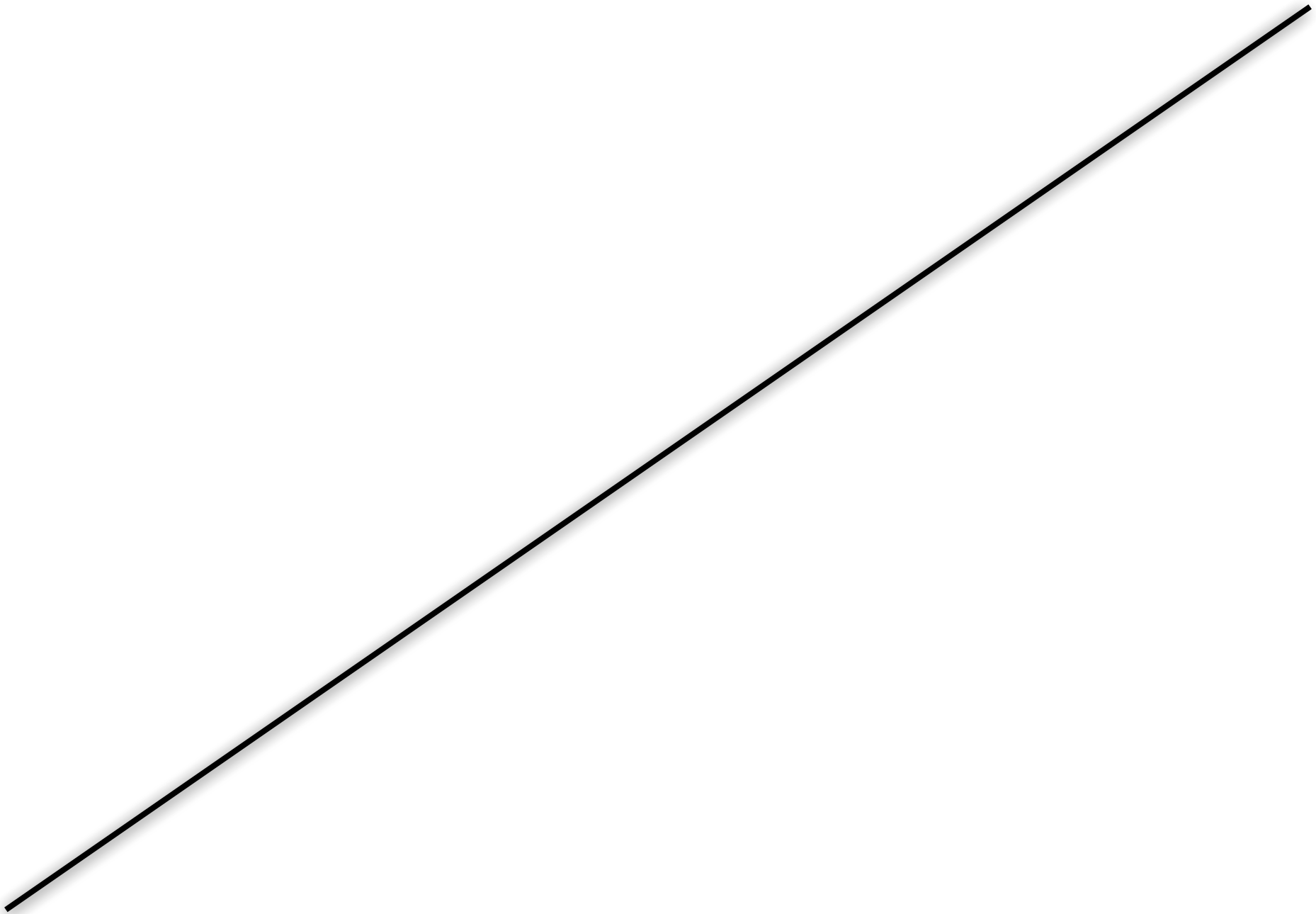


Market Demand

P



Market Supply

Suppose that all these perfectly competitive  
producers are bought by a Monopoly

$P_{pc}$





1

1


1

1


1



$Q_m$



This is the price  
consumers pay  
under Perfect  
Competition



This is the total number  
of units bought and sold  
under Perfect  
Competition

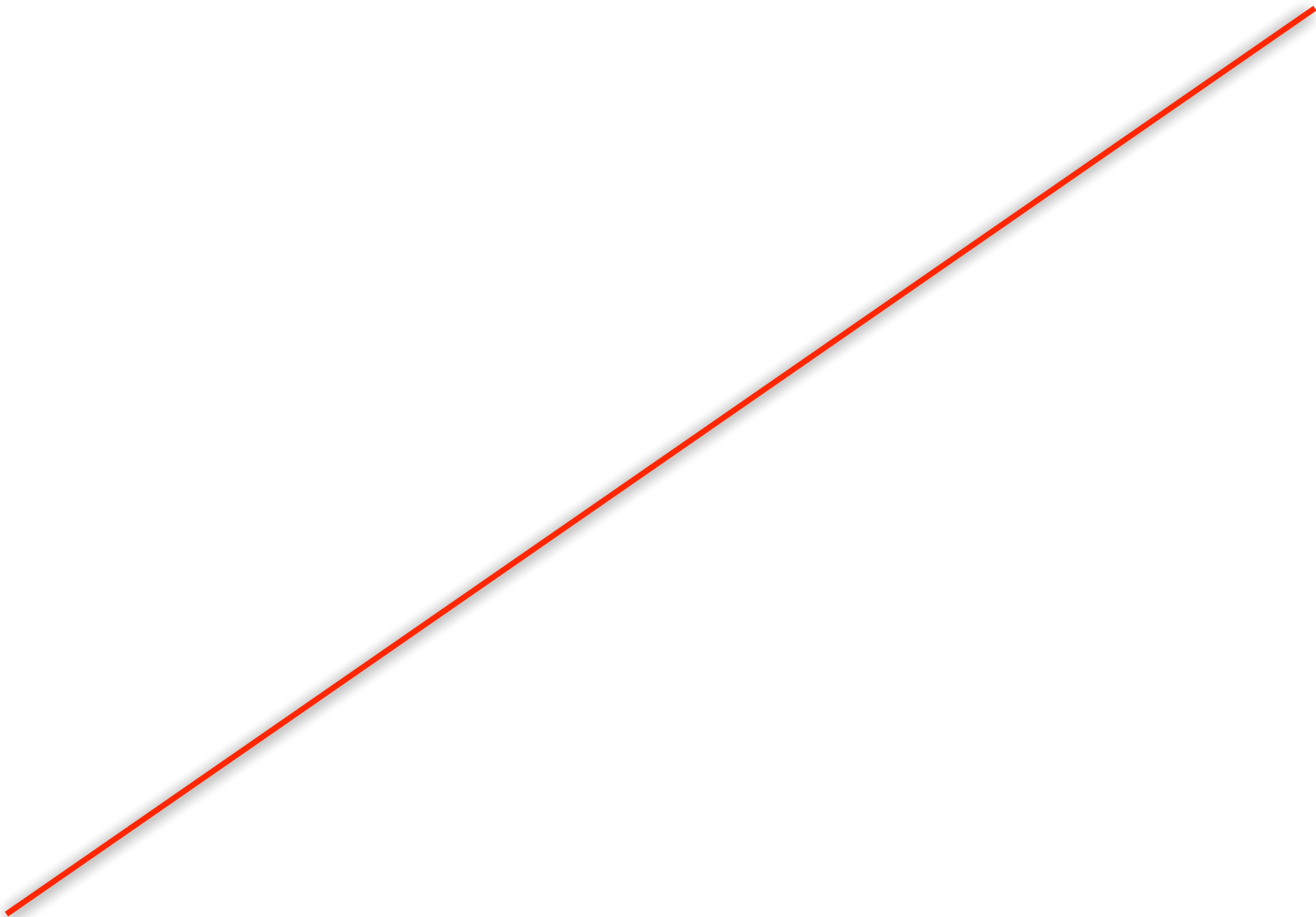
The **Market Supply** is the  
sum of the individual  
Marginal Cost lines

The **Market Supply** is the  
Monopolist's Marginal  
Cost

Monopolists choose  
output to maximize profit  
where  $MC = MR$

MR

MC









$Q_{pc}$

MR

=

MC



—

—

—

—

—

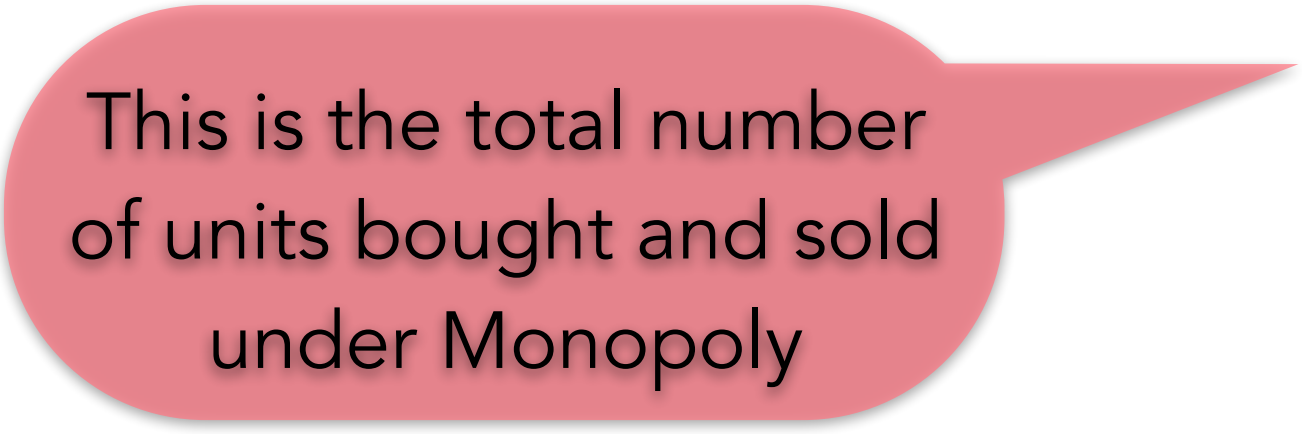
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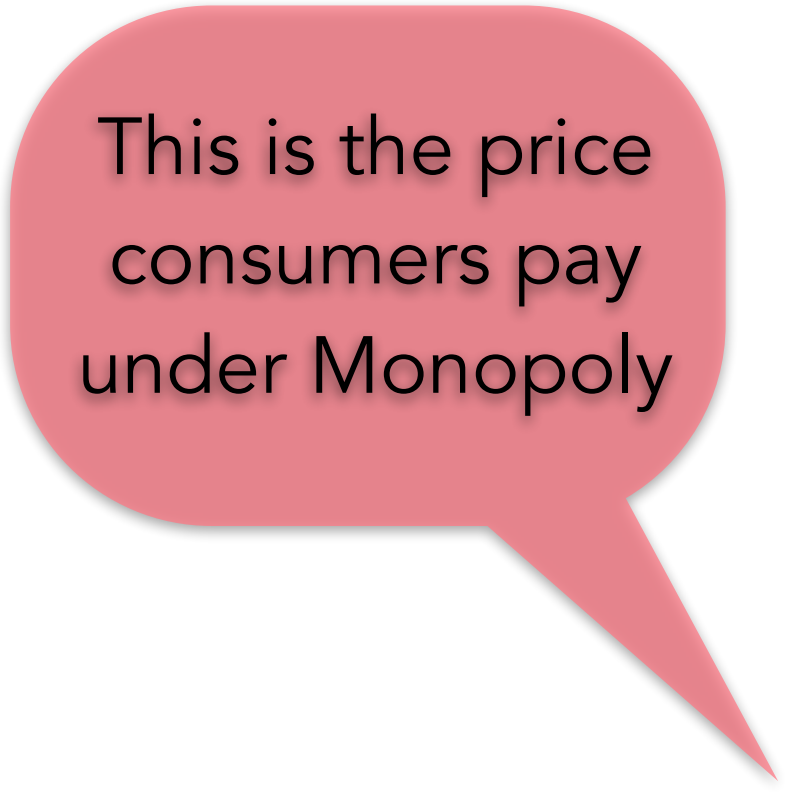
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A pink speech bubble with a tail pointing to the right, containing text.

This is the total number  
of units bought and sold  
under Monopoly



This is the price  
consumers pay  
under Monopoly

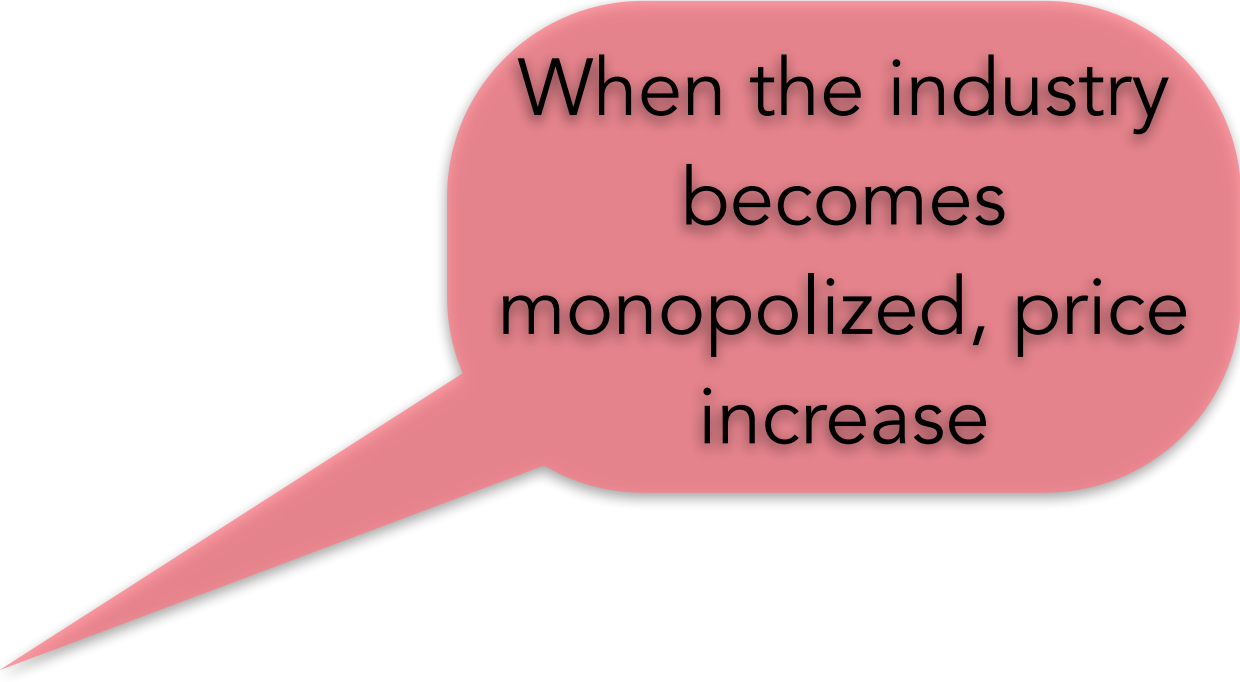


$P_m$



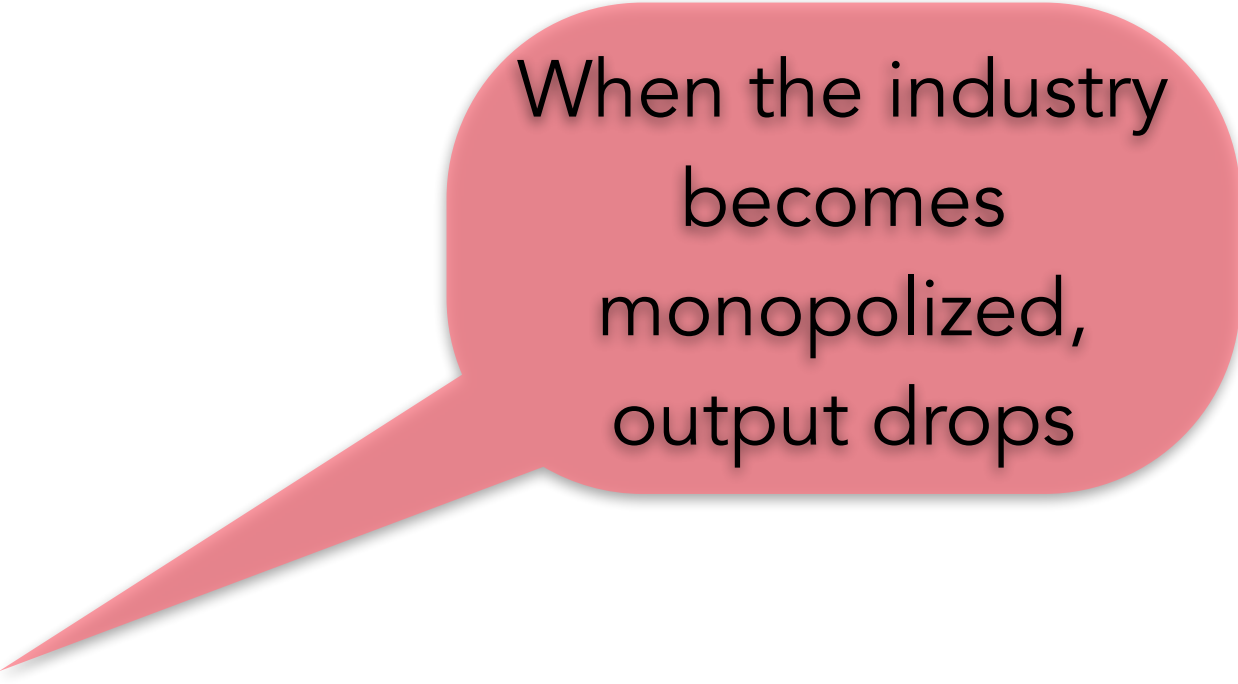






When the industry  
becomes  
monopolized, price  
increase

Monopolies produce less output and charge  
higher prices



When the industry  
becomes  
monopolized,  
output drops

A large blue triangle is positioned on the left side of the image, with its hypotenuse running diagonally from the top-left towards the bottom-right. The triangle is filled with a solid blue color. Inside this triangle, the text "Consumer Surplus under Perfect Competition" is written in a black, sans-serif font, centered horizontally and vertically within the triangle's area.

Consumer  
Surplus under  
Perfect  
Competition







A large pink triangle pointing downwards, with its base at the top and its vertex at the bottom. The triangle is positioned on the left side of the slide, with its right edge extending towards the center.

Consumer  
Surplus under  
Monopoly



A large blue triangle is positioned on the left side of the image, with its hypotenuse running diagonally from the top-left towards the bottom-right. The triangle is filled with a solid blue color. Inside this triangle, the text "Consumer Surplus under Perfect Competition" is written in a black, sans-serif font, centered horizontally and vertically within the triangle's area.

Consumer  
Surplus under  
Perfect  
Competition

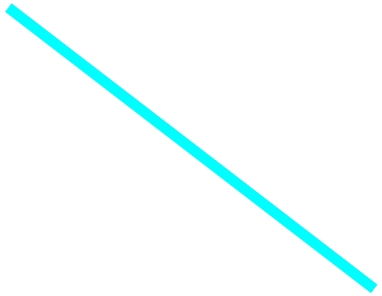
Some Consumer Surplus is lost when the industry  
becomes Monopolized

A large blue triangle is positioned in the bottom-left corner of a white square. The triangle's hypotenuse runs diagonally from the top-left towards the bottom-right. The text 'Lost CS' is centered within the blue area.

Lost CS

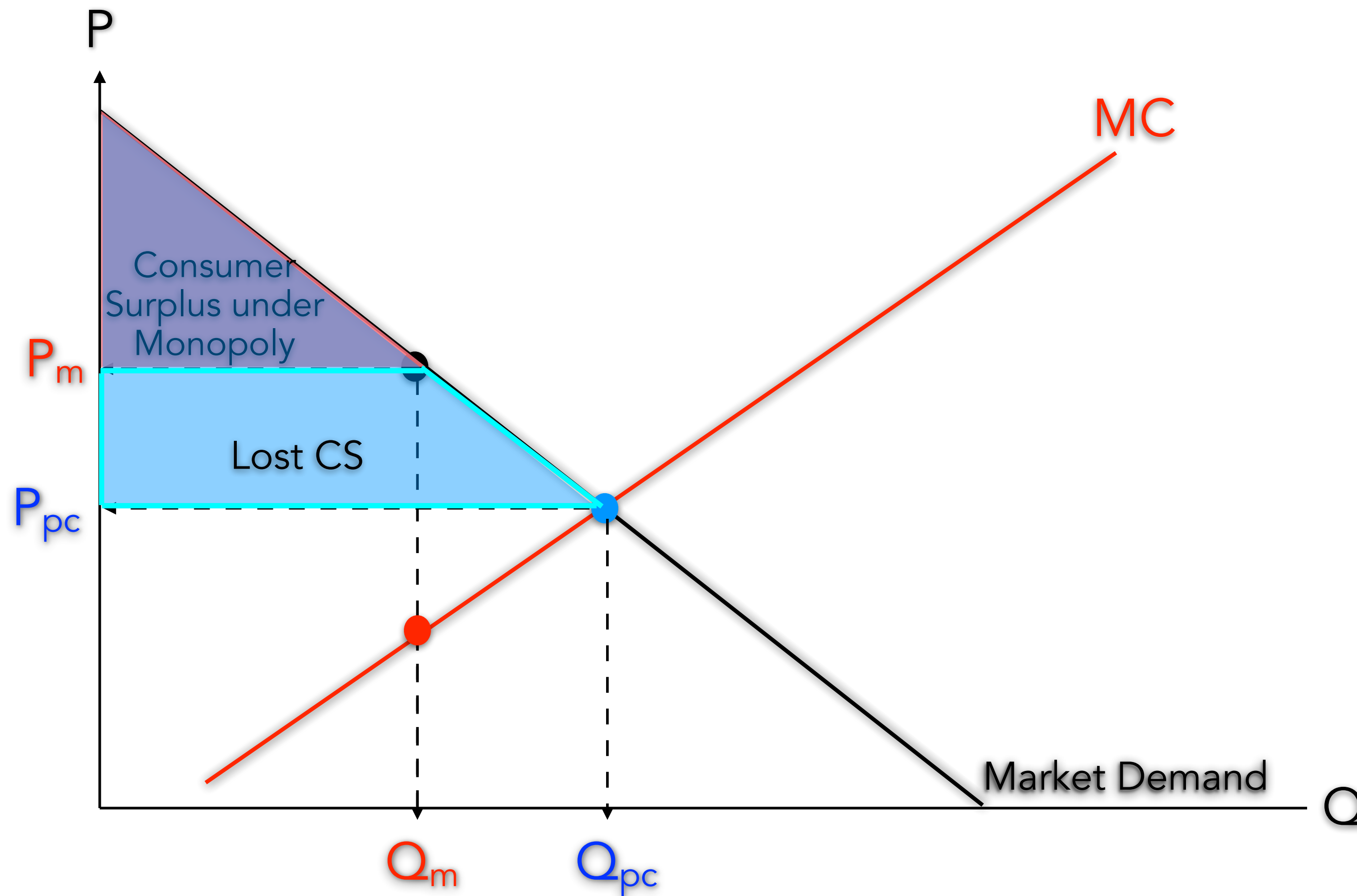








# Some Consumer Surplus is lost when the industry becomes Monopolized



The **Market Supply** is the sum of the individual Marginal Cost lines  
The **Market Supply** is the Monopolist's Marginal Cost

Monopolists choose output to maximize profit where  **$MC = MR$**



# Perfect Competition

