

$P_2$

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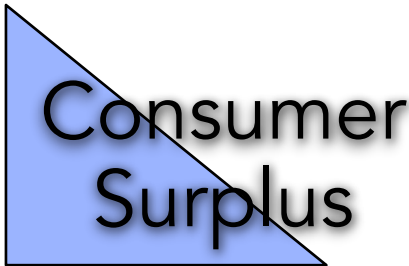
**MC**

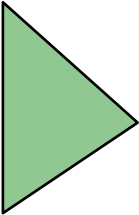
Q1





What happens if this Monopolist can charge **three** different prices to **three** different groups of buyers?







Sells  $Q_1$   
units in  
market 1



Monopolist  
charges  $P_1$  in  
Market 1

$P_1$

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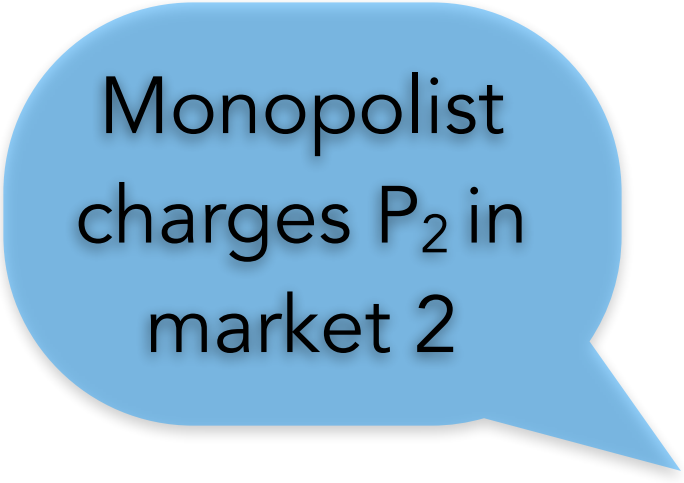
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$Q_2$








Monopolist  
charges  $P_2$  in  
market 2



Sells  $Q_2$   
units in  
market 2



This Welfare Loss  
area now becomes  
producer surplus



Welfare  
Loss  
shrinks

$P_3$



Monopolist  
charges  $P_3$  in  
market 3


$Q_3$





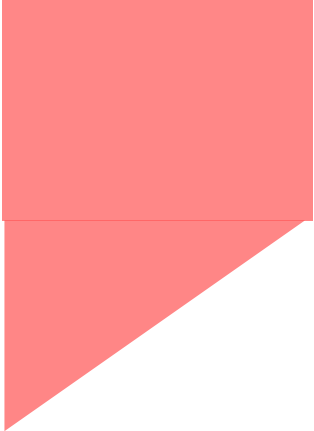
Sells  $Q_3$   
units in  
market 2






Producer  
Surplus







This Welfare Loss  
area now becomes  
producer surplus

What happens if this Monopolist can charge **three** different prices to **three** different groups of buyers?

