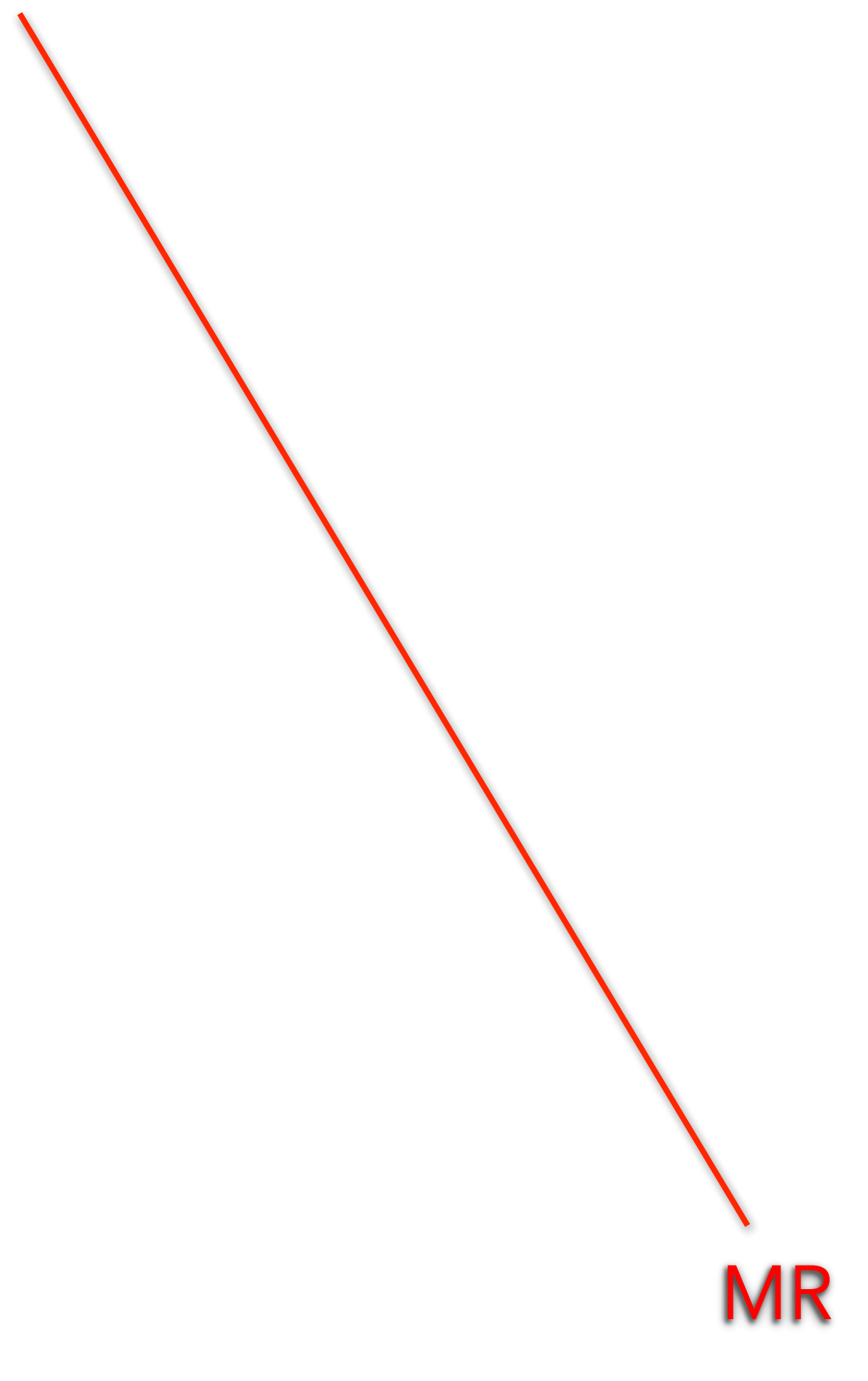
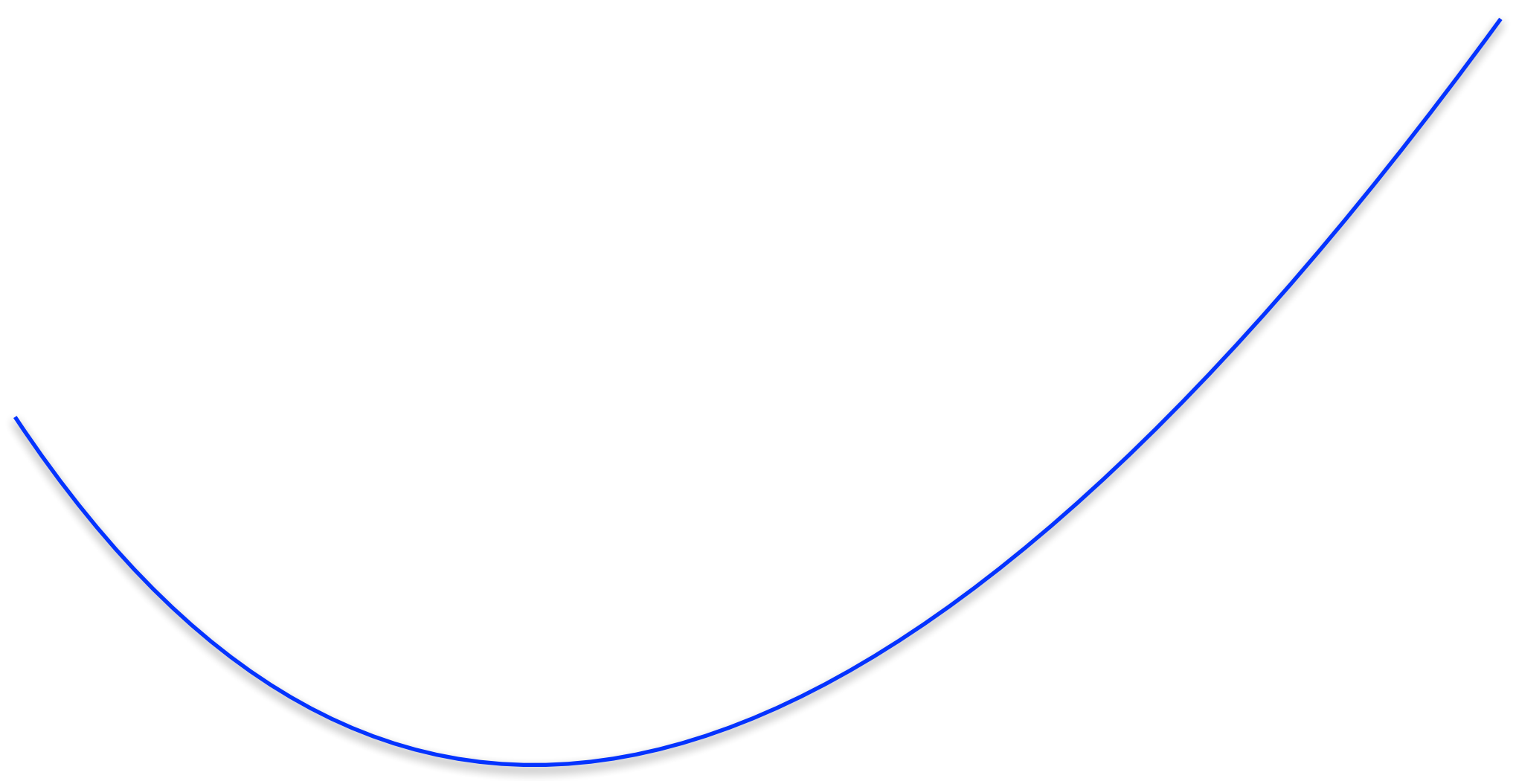




MC



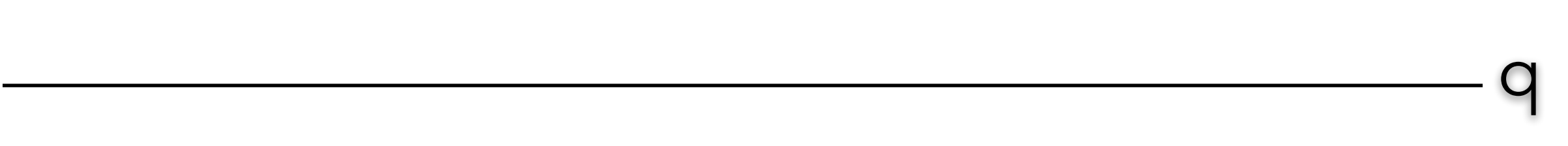
MR



MC



/P



Total Profit is  
maximum

when

$$MC = MR$$





M



n



p









S



S



A



S





C

h





S

e



u





**p**

u







M

a







m



**Z**

e

P













90

To Maximize  
Profit, the  
Monopolist must  
produce  $q_0$

**R**

u





e



**T**





h







**S**

e



h

e

**p**













m

a







m



**Z**



n

g



u





**p**

u





e

**V**

e







h







m

C



h





**S**

S



W

h



e



e

M

C

[REDACTED]

[REDACTED]

M

R



R

e

m

e

m

**b**

e







h

a









**M**





n



**p**







S





**S**



M

**R**



S

a





W

a

**y**

**S**





W



e





h

a

n

P

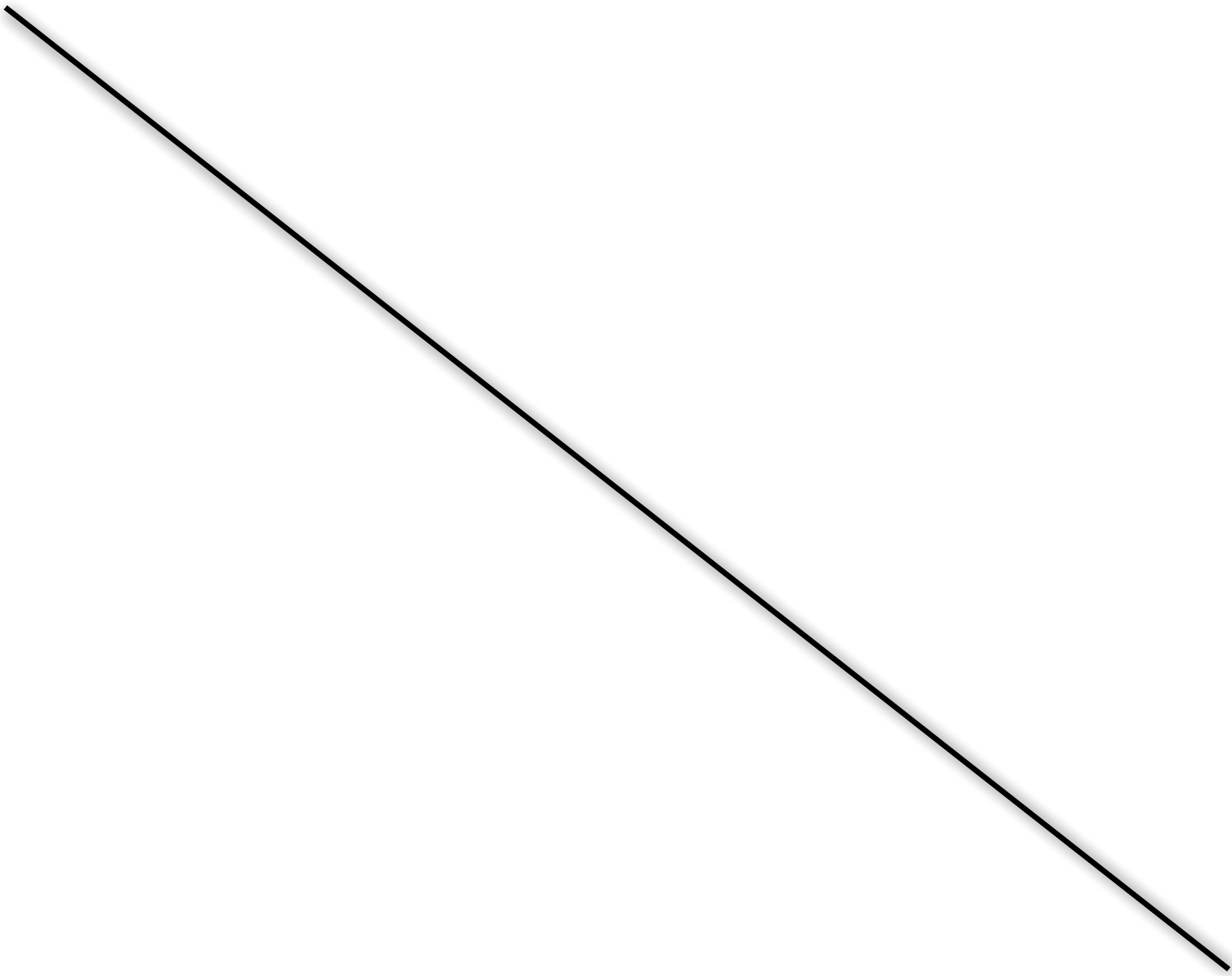






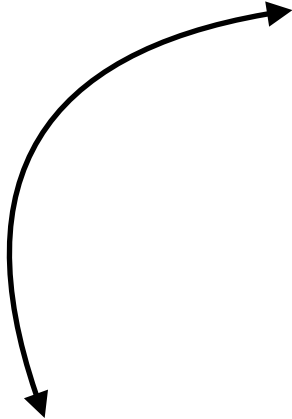
C

e





***Midpoint***



When **TR** is  
maximum **MR = 0**



MC

=

MR



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Price



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In order to sell  $q_0$   
units, the  
monopolist must  
charge this price

Monopoly

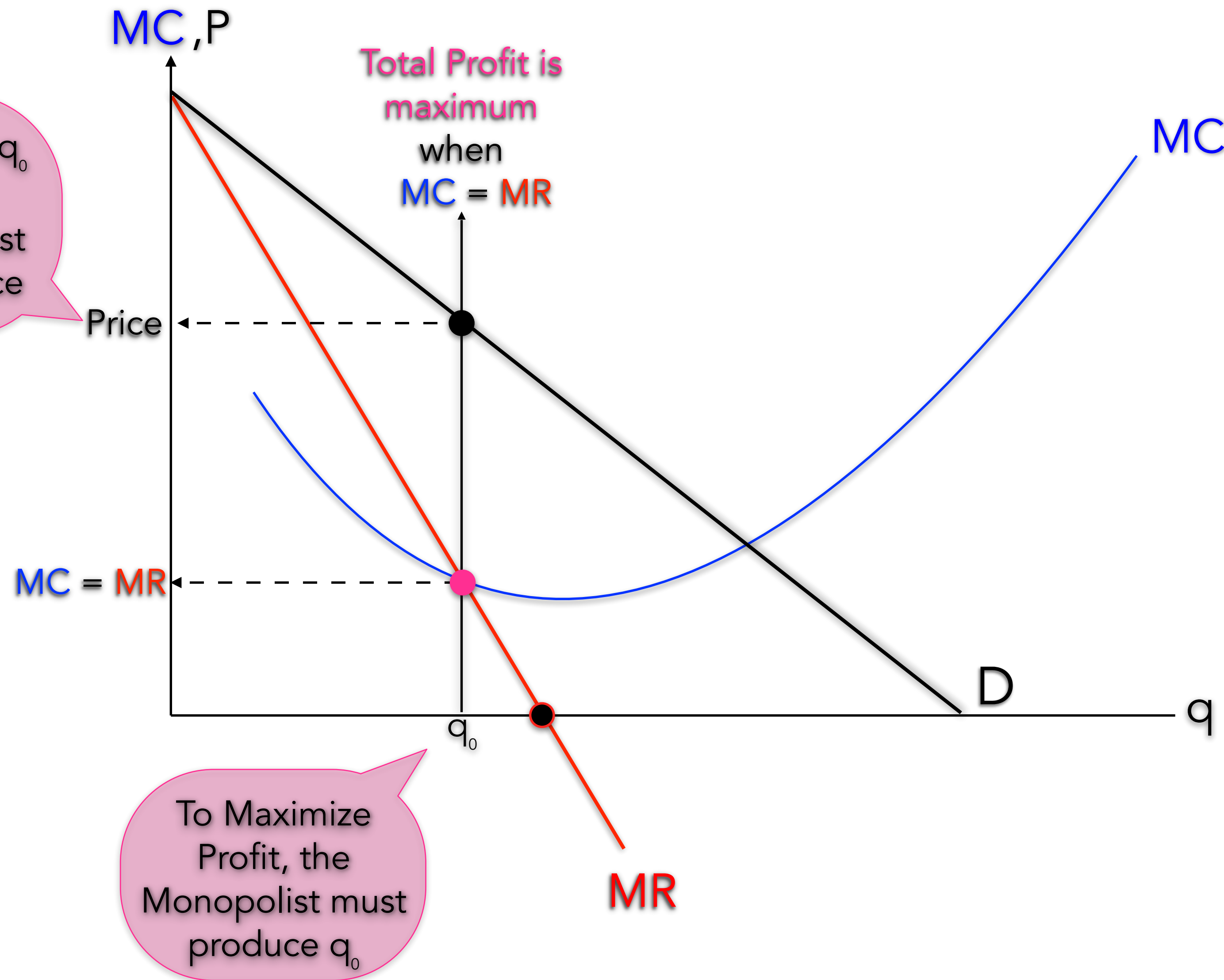
Monopolists ALSO choose output to Maximize Profit

Rule: To choose the profit maximizing output level the firm chooses  $q$  where  $MC = MR$

Remember that for  
Monopolists, **MR** is  
always **lower** than Price



## Monopolists ALSO choose output to Maximize Profit



Rule: To choose the profit maximizing output level the firm chooses  $q$  where  $MC = MR$

Remember that for Monopolists,  $MR$  is always lower than Price

Monopolists choose output to Maximize Profit

