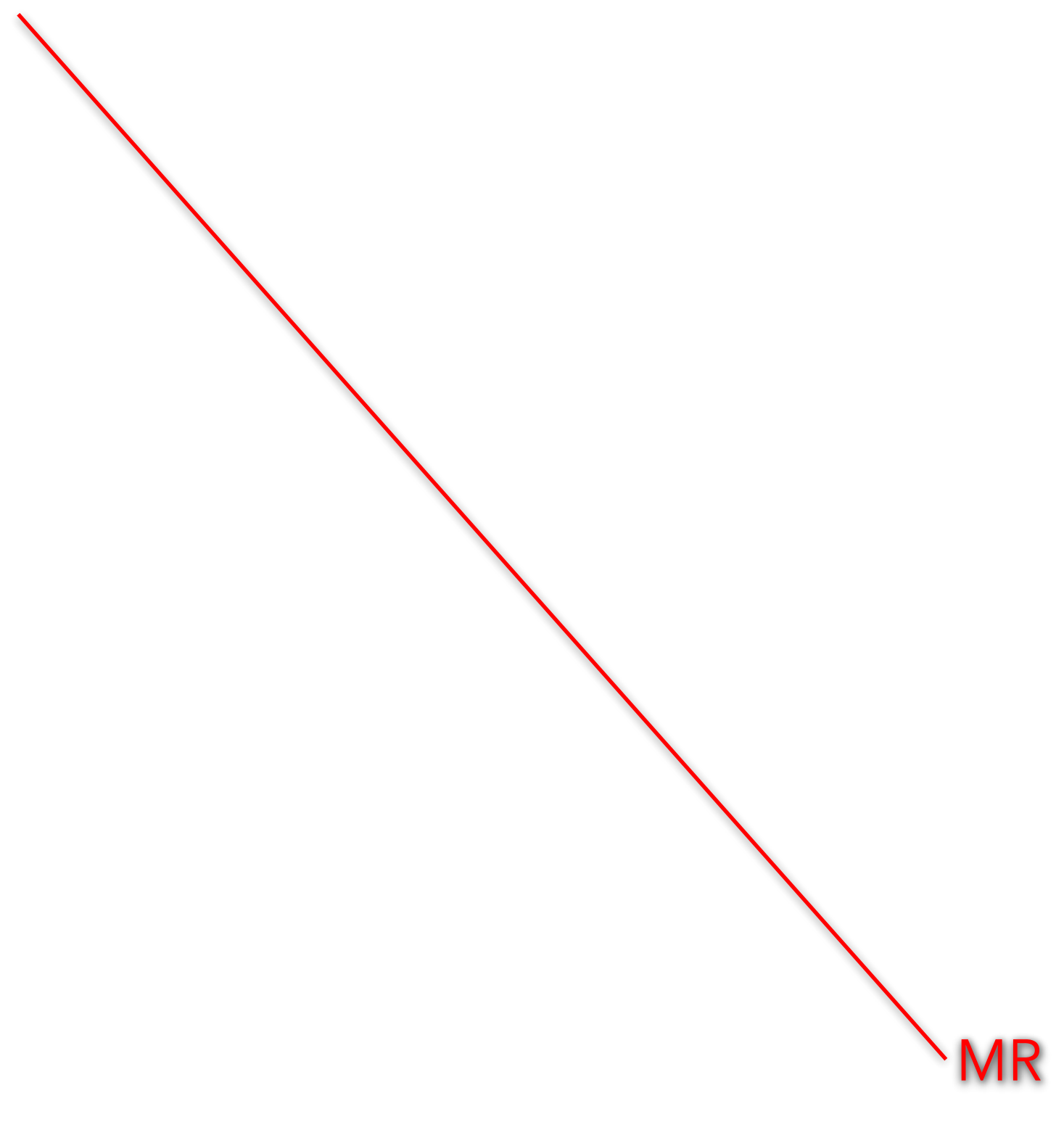


Firm's demand



Like in Perfect
Competition and
Monopoly : The firm
chooses the Profit
Maximizing Output level
where $MR = MC$

$P_{mc} \leftarrow$

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q_{mc}

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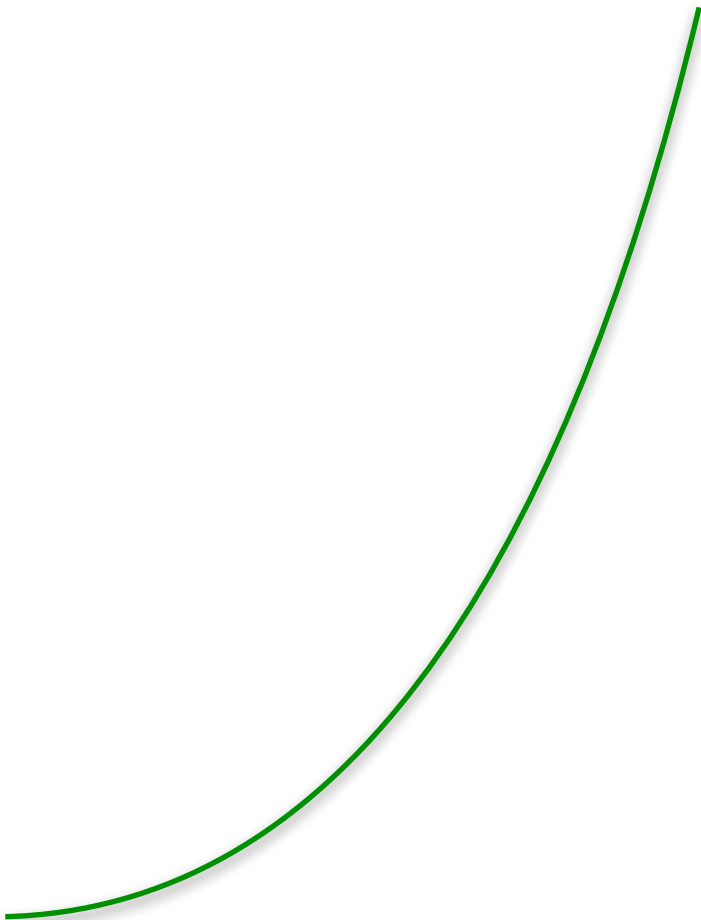








MC





MR

=

MC



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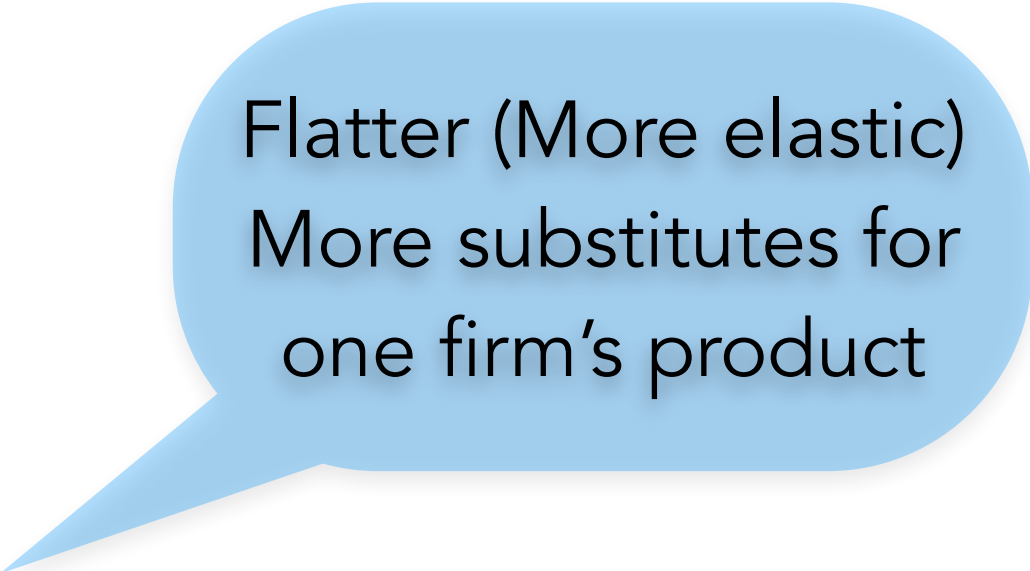
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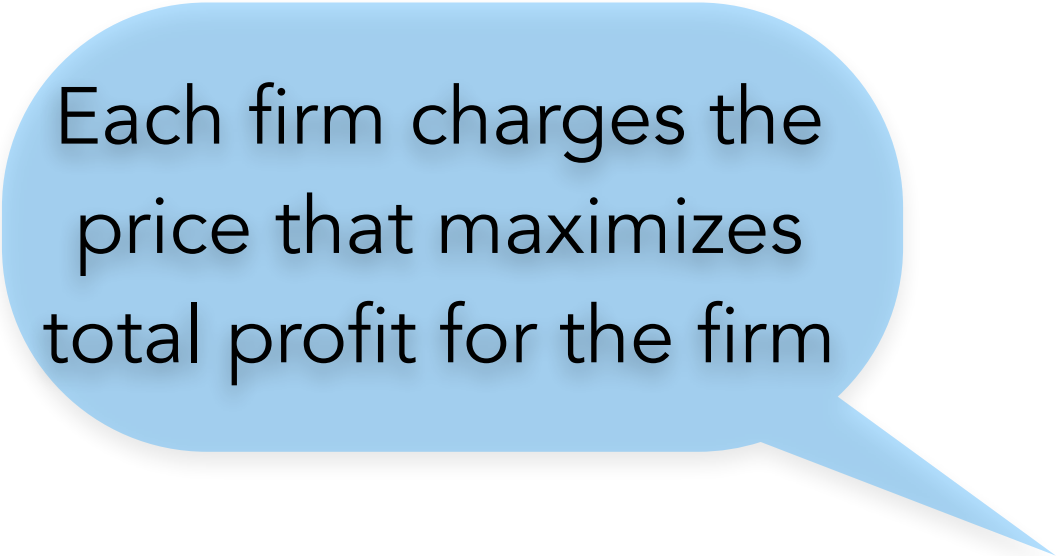




Flatter (More elastic)
More substitutes for
one firm's product



Each firm sells a
portion of the total
units sold



Each firm charges the
price that maximizes
total profit for the firm

Price and Output Determination in Monopolistic Competition

Price and Output Determination in Monopolistic Competition

