

P_2

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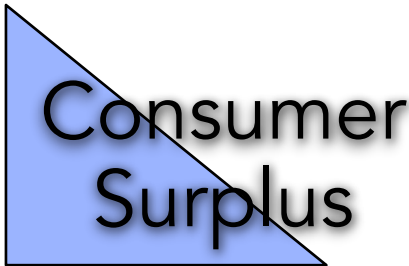
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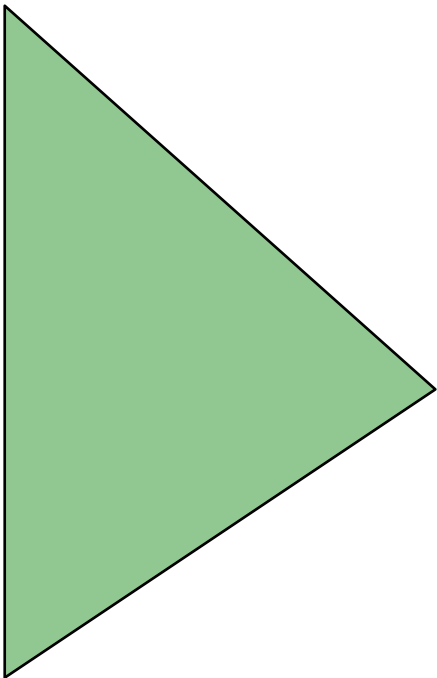
MC

Q1



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







Sells Q_1
units in
market 1



Monopolist
charges P_1 in
Market 1

P_1

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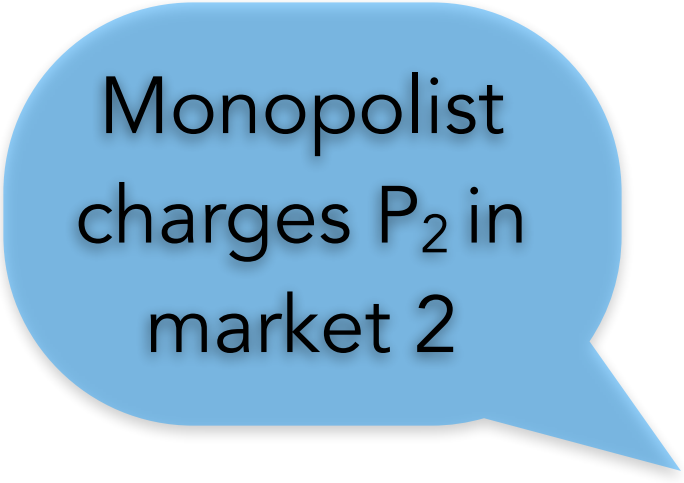
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Q_2






Monopolist
charges P_2 in
market 2



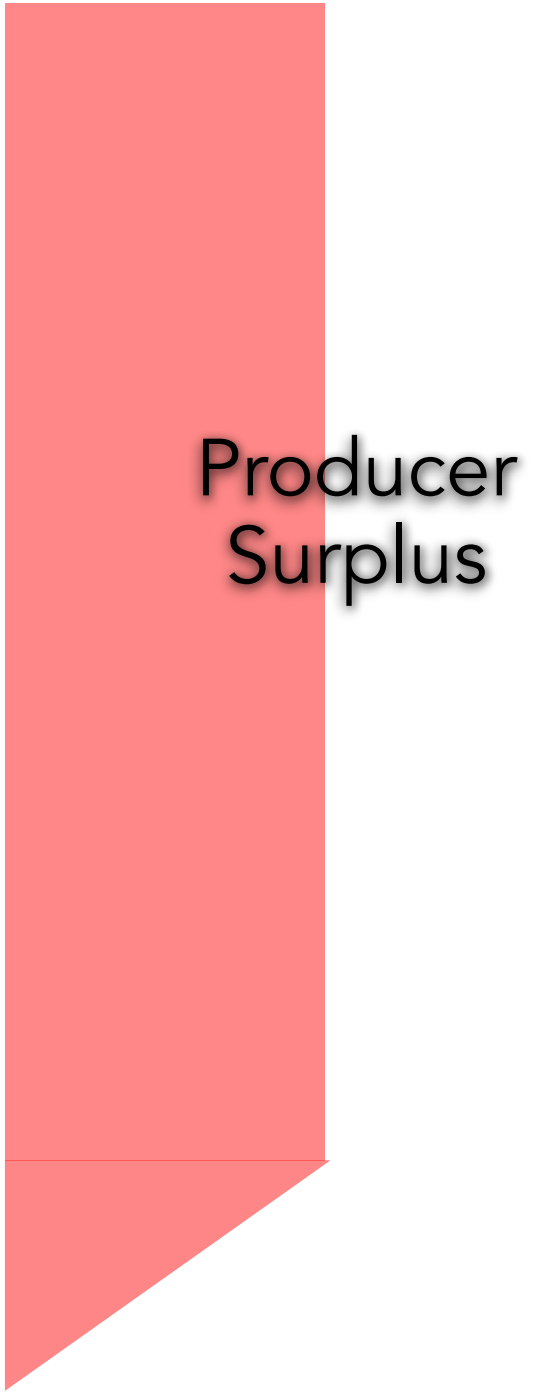
Sells Q_2
units in
market 2



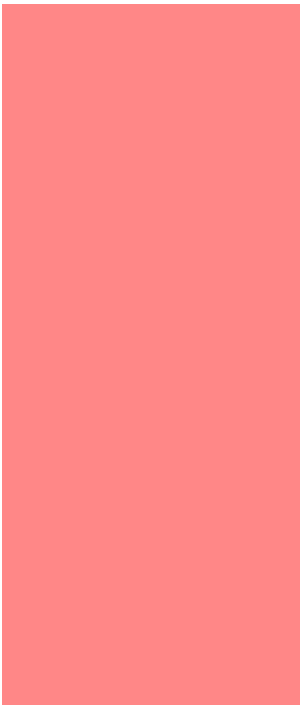
This Welfare Loss
area now becomes
producer surplus



Welfare
Loss
shrinks



Producer
Surplus



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

