**CHAPTER 10: Monopoly and Monopsony**

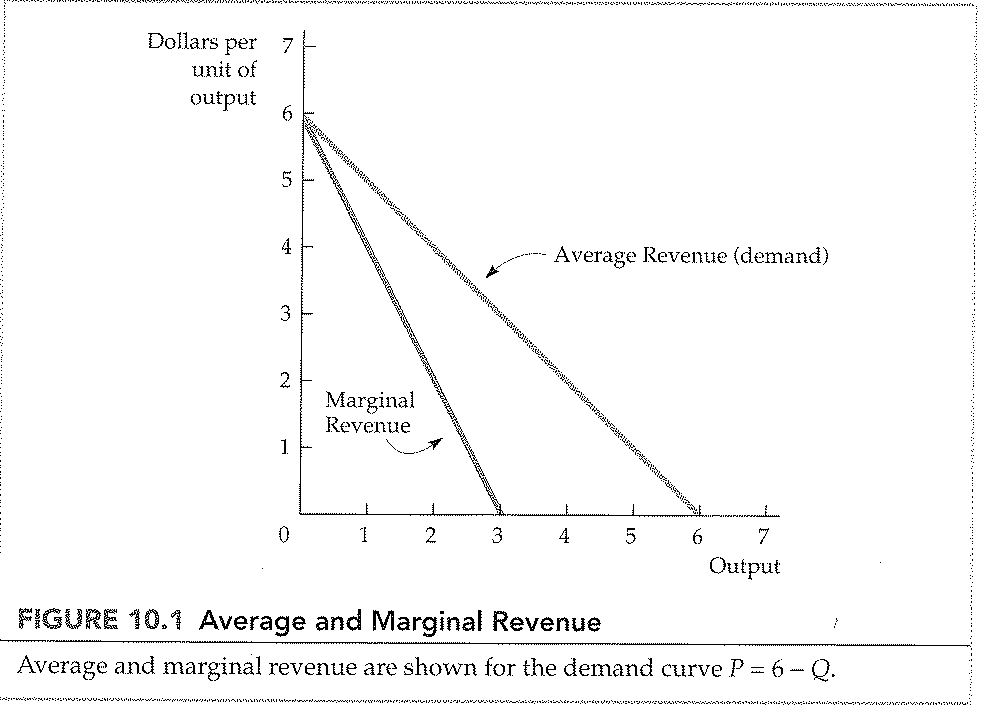
**Checklist**

Can you do the following regarding **monopolies and monopsonies**?

* Define Monopoly
* Define Monopsony
* Define market power
* Define a multiplant firm
* Define monopoly power
* What factors determine a firm’s elastic demand?
* How is monopoly power tested?
* Define pure monopoly
* What is the social cost of monopoly power
* Define rent-seeking
* Define natural monopoly
* Define an oligopsony
* What are the sources of monopsony power

**CHAPTER 10: Monopoly and Monopsony**

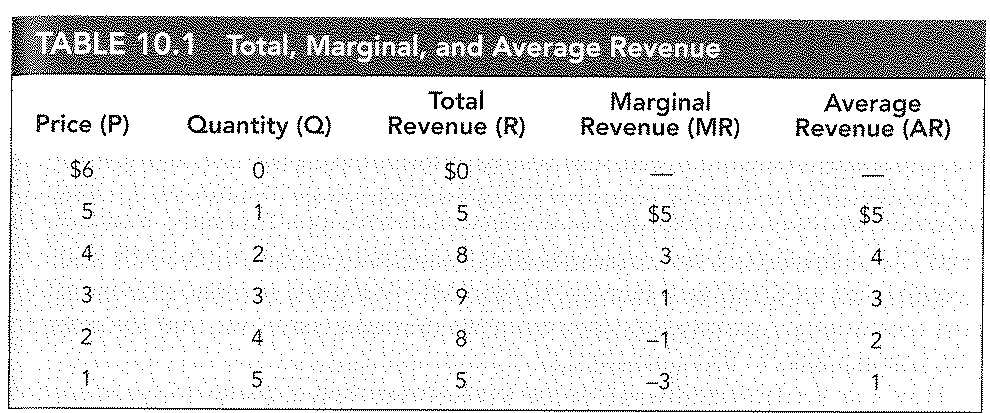
**Monopoly average revenue and marginal revenue**



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**CHAPTER 10: Monopoly and Monopsony**

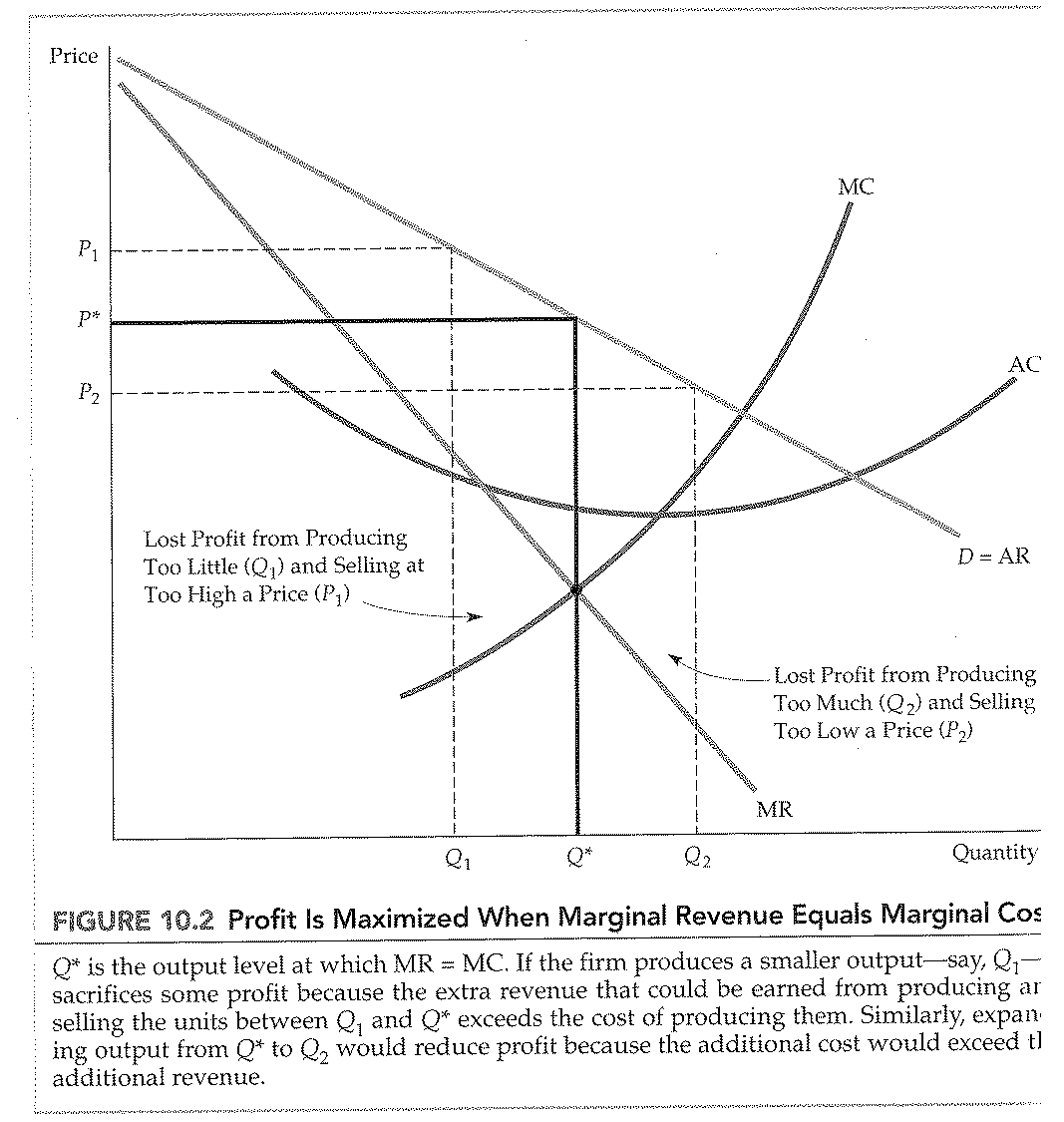
**Monopoly average revenue and marginal revenue**



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**CHAPTER 10: Monopoly and Monopsony**

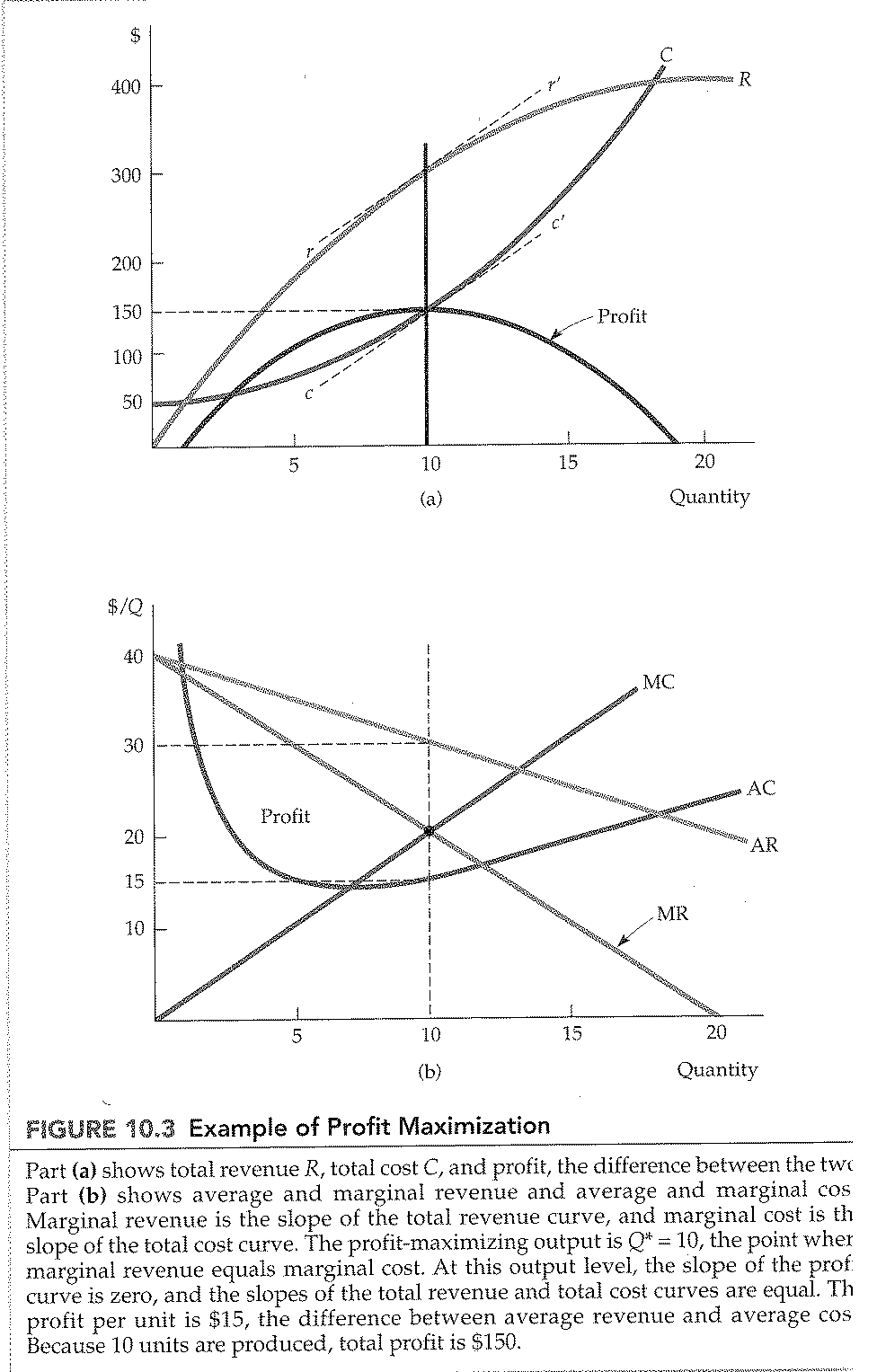
**Monopoly: Output decision**



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**CHAPTER 10: Monopoly and Monopsony**

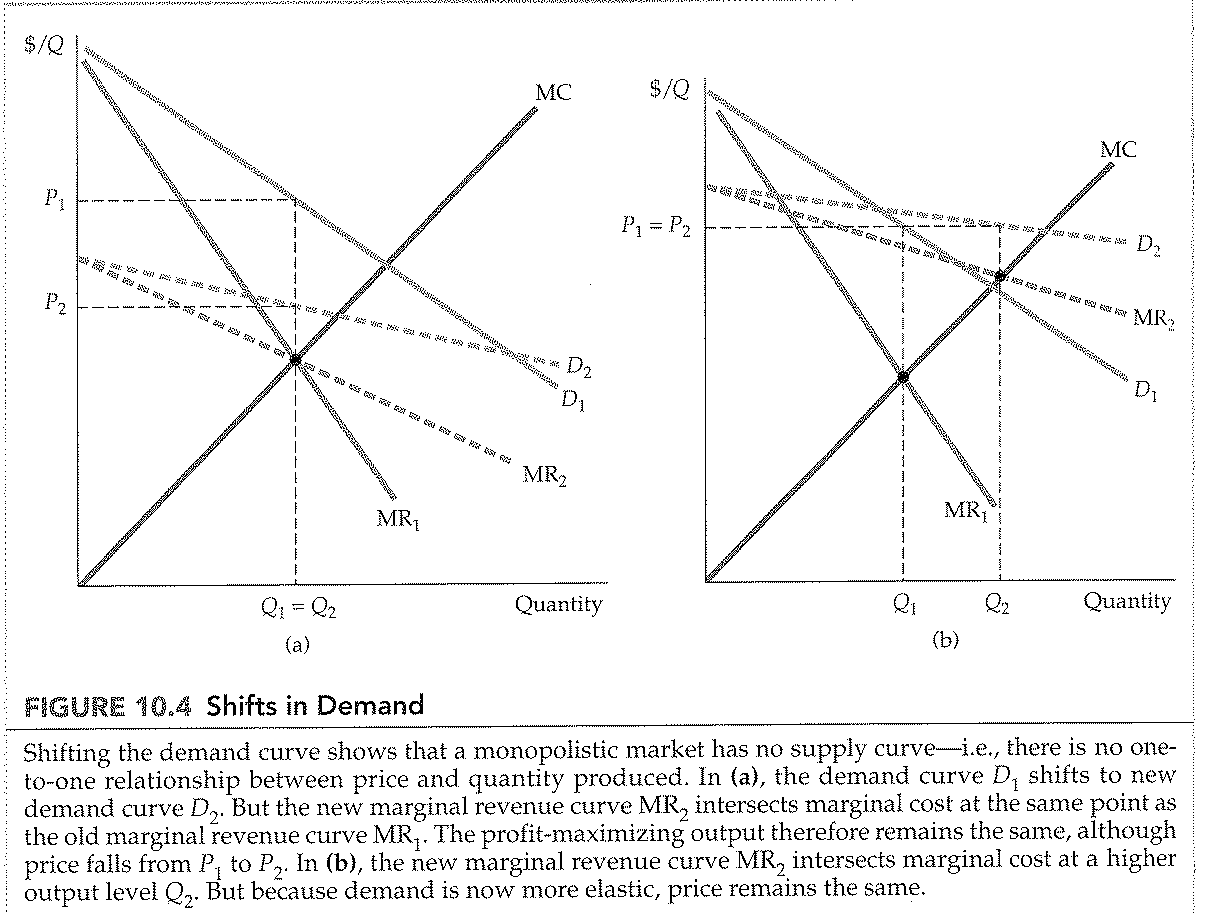
**Example of profit maximization**



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**CHAPTER 10: Monopoly and Monopsony**

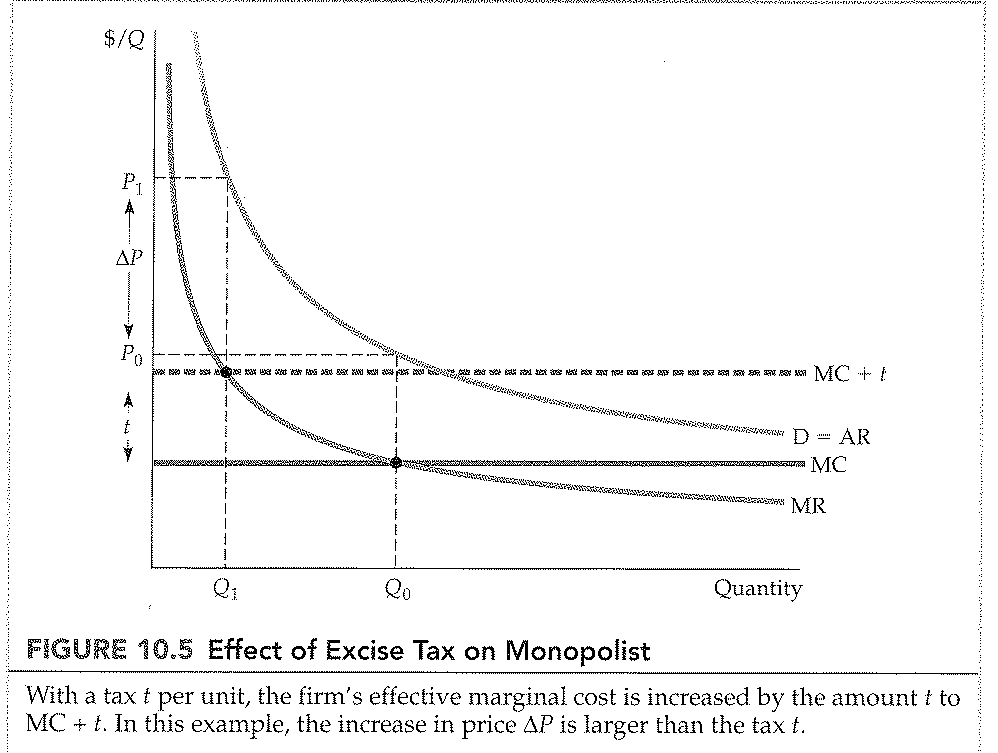
**Shifts in demand**



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**CHAPTER 10: Monopoly and Monopsony**

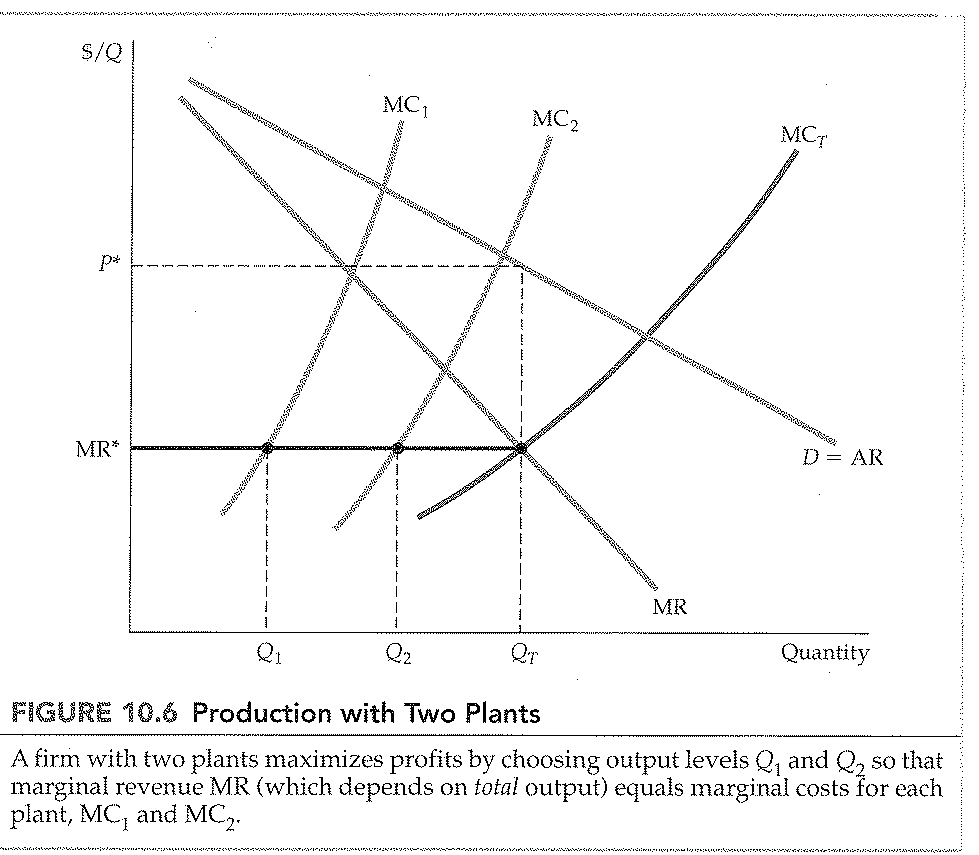
**Effect of excise tax on monopolist**



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**CHAPTER 10: Monopoly and Monopsony**

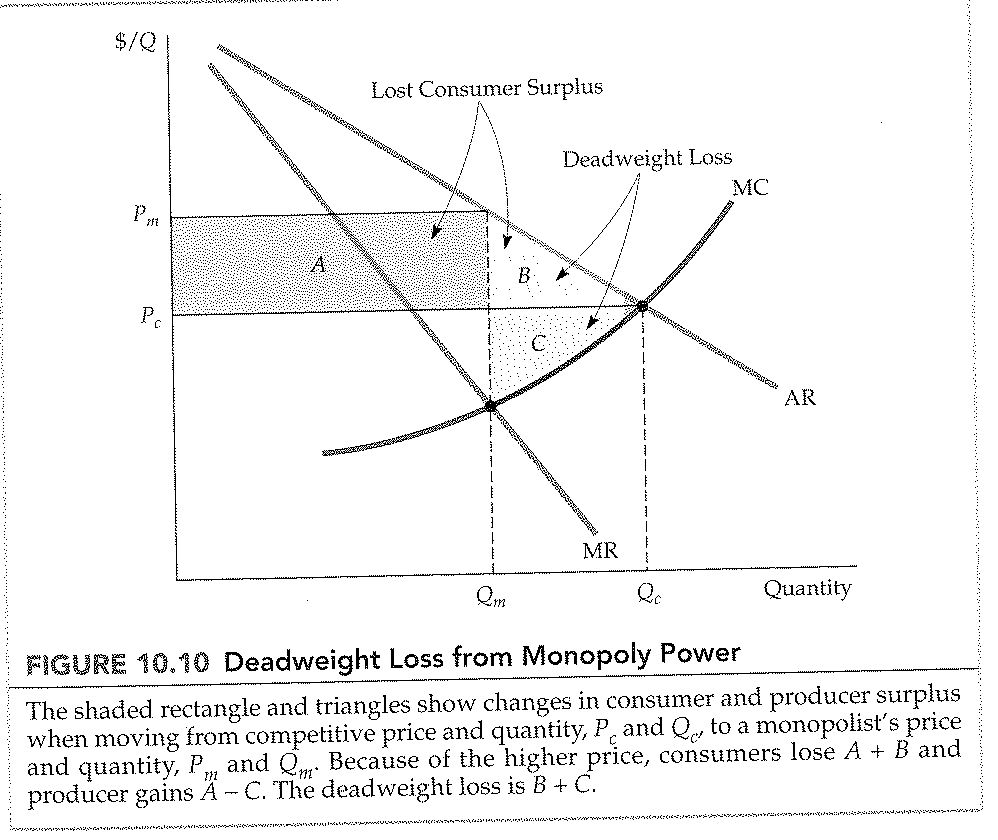
**The multiplant firm**



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**CHAPTER 10: Monopoly and Monopsony**

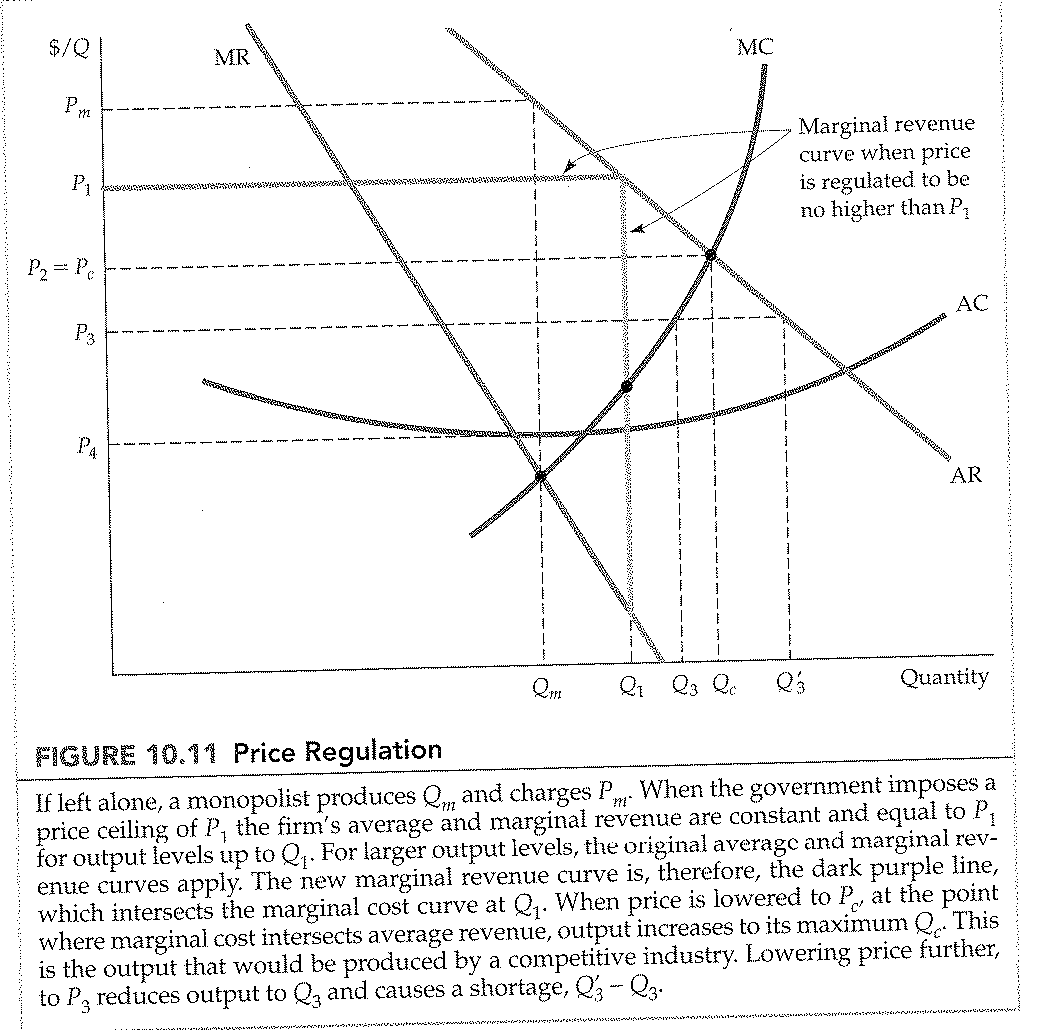
**Deadweight loss from monopoly power**



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**CHAPTER 10: Monopoly and Monopsony**

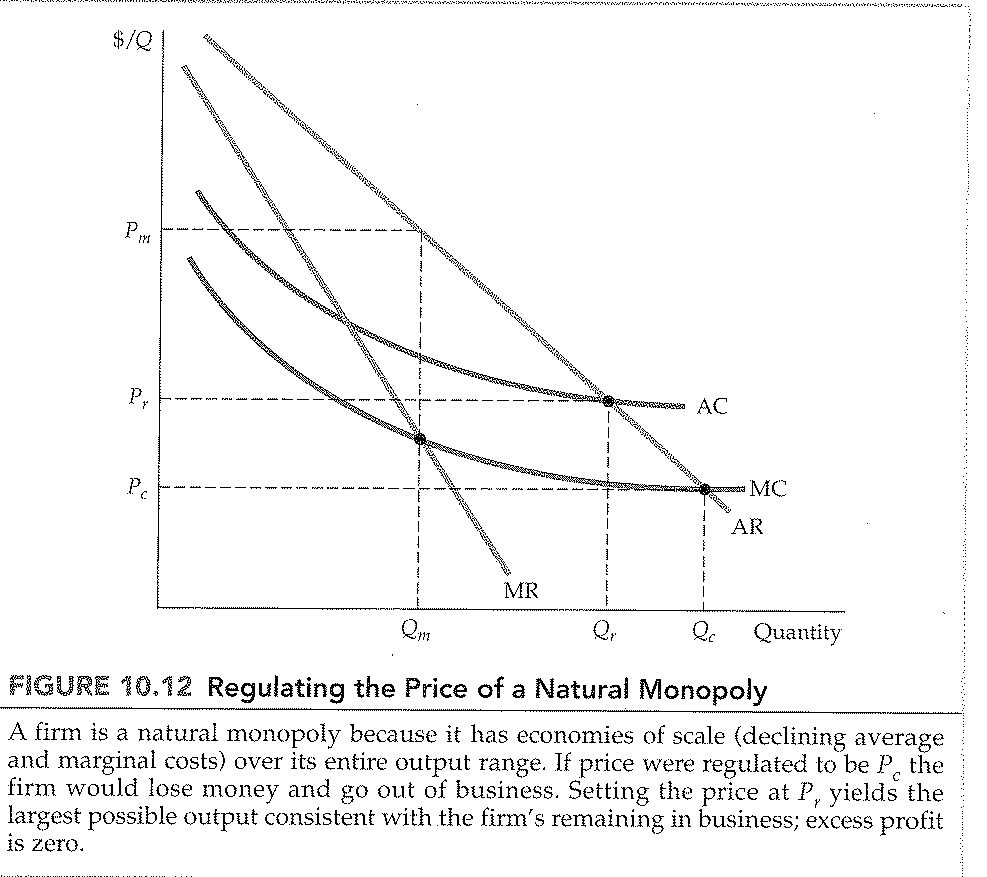
**Price regulation**



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**CHAPTER 10: Monopoly and Monopsony**

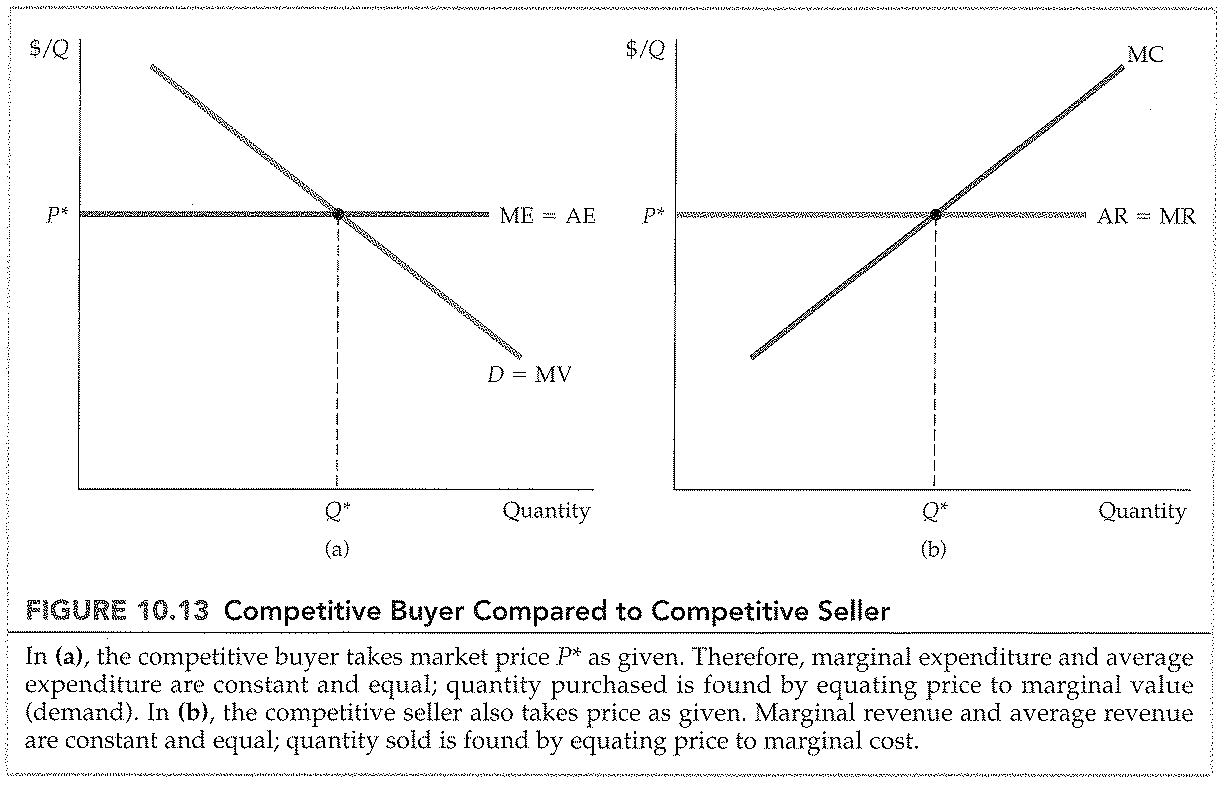
**Regulating the price of a natural monopoly**



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**CHAPTER 10: Monopoly and Monopsony**

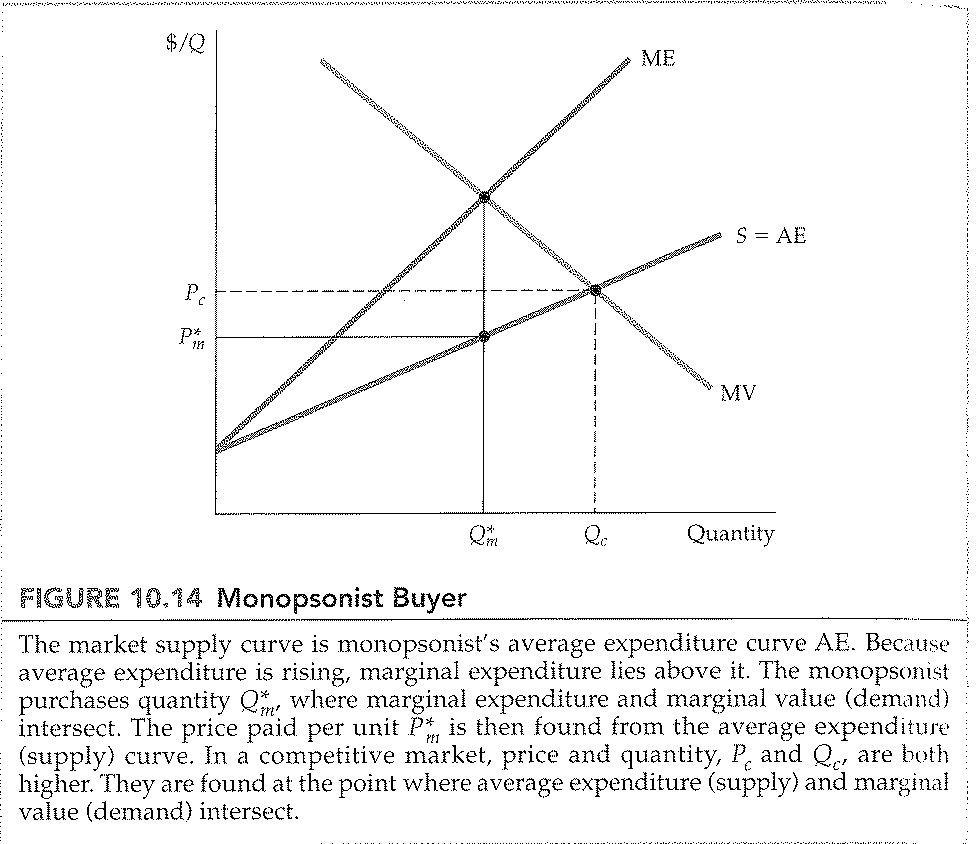
**Competitive buyer compared to competitive seller**



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**CHAPTER 10: Monopoly and Monopsony**

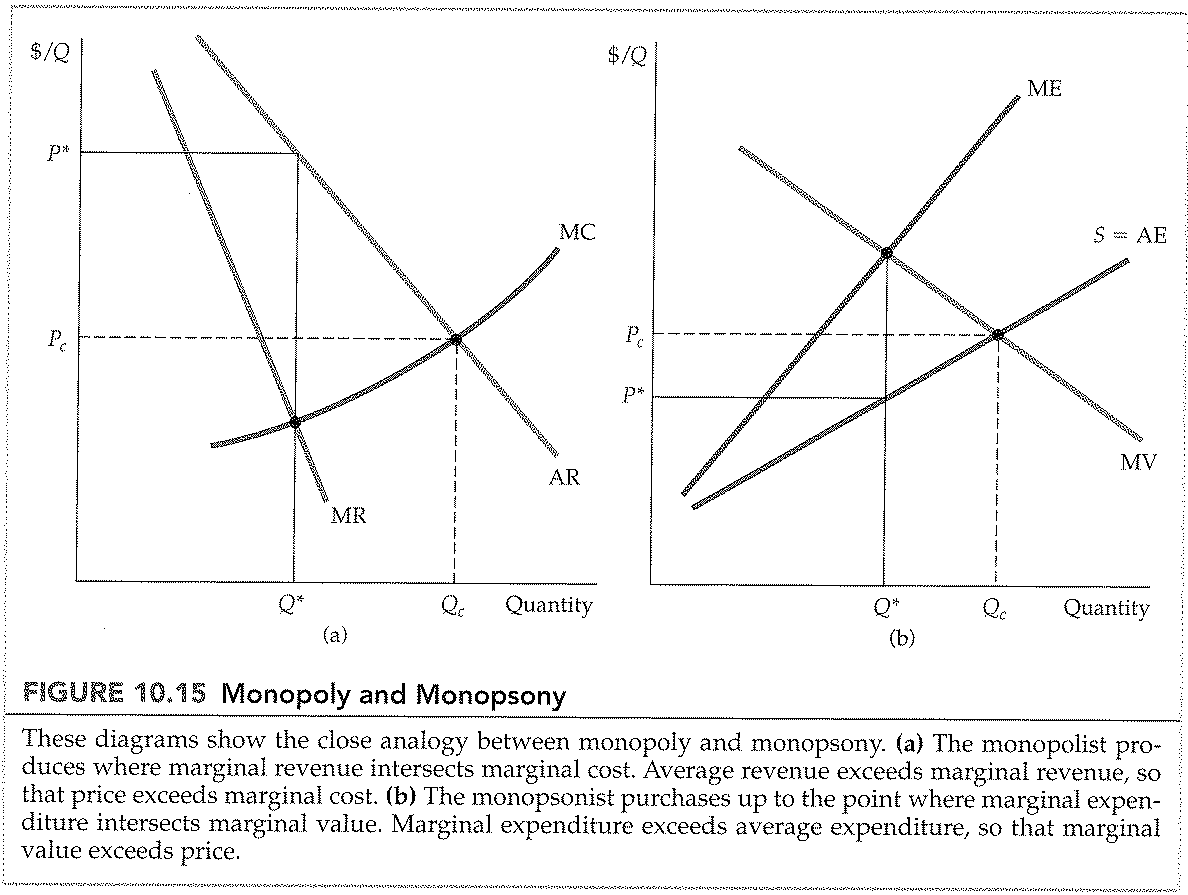
**Monopsonist buyer**



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**CHAPTER 10: Monopoly and Monopsony**

**Monopoly and Monopsony**



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