

Session: ECON 1CAMP_11 09

Class:

ECON 1CAMP

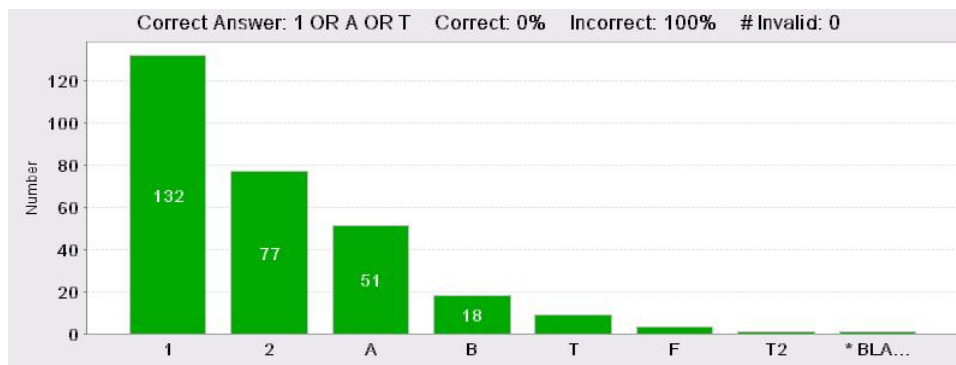
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Question: 1

Correct Answer: 1 OR A OR T

If demand for a monopolist's product is inelastic at the current price, he could increase his profits by reducing output, even if his marginal cost is very small.

1. True
2. False



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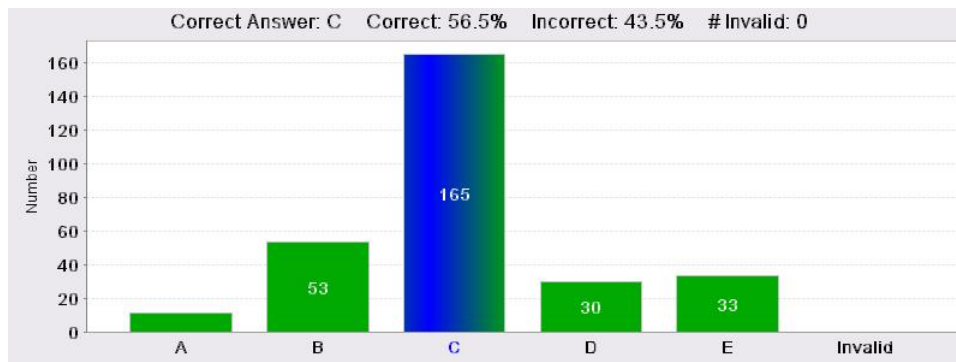
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Question: 2

Correct Answer: C

A monopolist faces a demand curve with equation $P=100-Q$. What is the equation for its marginal revenue?

- A) $MR=200-Q$
- B) $MR=100-Q$
- C) $MR=100-2Q$
- D) $MR=200-2Q$
- E) $MR=100-Q^2$



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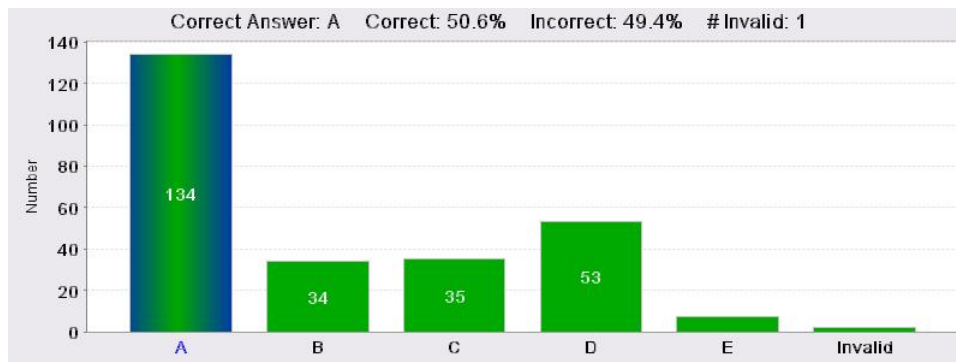
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Question: 3

Correct Answer: A

A monopolist faces a demand curve with equation $P=100-Q$. Its total costs are $\$10Q$. What are its marginal costs?

- A) \$10 for all quantities
- B) $\$10+Q$
- C) $\$(100/Q)-1$
- D) $\$100-2Q$
- E) $\$100-Q$



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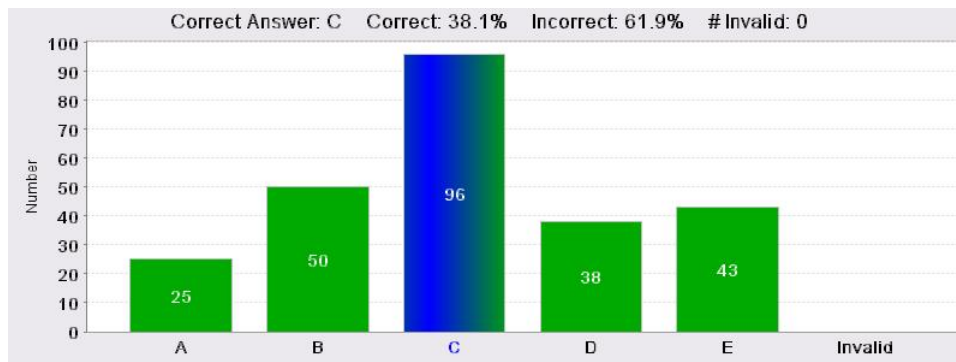
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Question: 4

Correct Answer: C

A monopolist faces a demand curve with equation $P=100-Q$. Its total costs are $\$10Q$. How much should it produce to maximize its profits?

- A) $Q=100$
- B) $Q=50$
- C) $Q=45$
- D) $Q=30$
- E) $Q=25$



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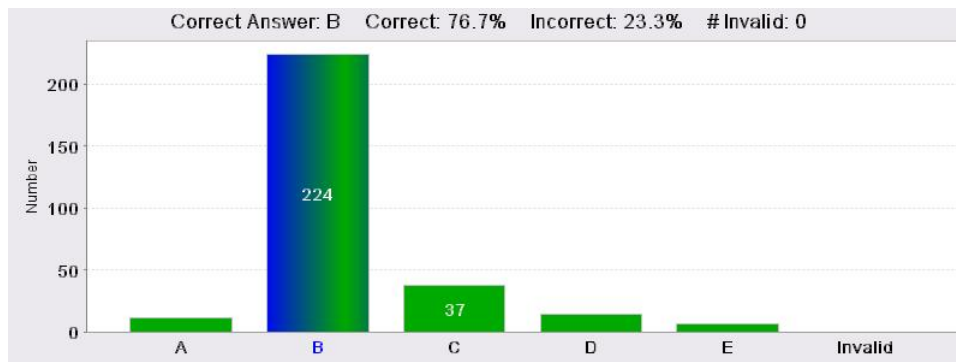
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Question: 5

Correct Answer: B

A monopolist faces a demand curve with equation $P=100-Q$. Its total costs are $\$10Q$. What *price* should it charge to maximize profits?

- A) $P=60$
- B) $P=55$
- C) $P=50$
- D) $P=45$
- E) $P=40$



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Question: 6

Correct Answer: A

A monopolist faces a demand curve with equation $P=100-Q$. Its total costs are $\$10Q$. How much profits can it make?

- A) \$ 2025
- B) \$200
- C) \$1800
- D) \$600
- E) \$950

