Figure 11-1

Average and Marginal Revenue for a Competitive Firm

(Price) $p$, Dollars per unit

$P_I$

Demand Curve

(Quantity) $q$, Units per year

A B

$q$ $q+1$

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Average and Marginal Revenue for a Monopolistic Firm

(Price) $p$, Dollars per unit

(Quality) $Q$, Units per year

$p_1$

$p_2$

A

B

C

Demand Curve

Figure 11-2

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 11-3

Marginal Revenue for a Monopolist

\[ MR = 24 - 2Q \]

Demand: \[ p = 24 - 2Q \]

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 11–5

Deadweight Loss of Monopoly

- $p_m = 18$
- $p_c = 16$
- $MR = MC = 12$

Points:
- $A = $18
- $B = $12
- $C = $2
- $D = $60
- $E = $4

Image by Jaki King (designbyjaki.com) for MIT OpenCourseWare
Figure 11-6

Social Welfare with Perfect Price Discrimination

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