

1. ANS: E           PTS: 1           DIF: M           REF: Module 61/25  
MSC: Concept-Based
2. ANS: D           PTS: 1           DIF: M           REF: Module 61/25  
MSC: Concept-Based
3. ANS: B           PTS: 1           DIF: E           REF: Module 61/25  
MSC: Concept-Based
4. ANS: C           PTS: 1           DIF: M           REF: Module 61/25  
MSC: Fact-Based
5. ANS: D           PTS: 1           DIF: M           REF: Module 61/25  
MSC: Critical Thinking
6. ANS: D           PTS: 1           DIF: M           REF: Module 61/25  
MSC: Analytical Thinking
7. ANS: D           PTS: 1           DIF: M           REF: Module 62/26  
MSC: Definitional
8. ANS: A           PTS: 1           DIF: D           REF: Module 62/26  
MSC: Analytical Thinking
9. ANS: D           PTS: 1           DIF: M           REF: Module 62/26  
MSC: Definitional
10. ANS: A           PTS: 1           DIF: D           REF: Module 62/26  
MSC: Fact-Based

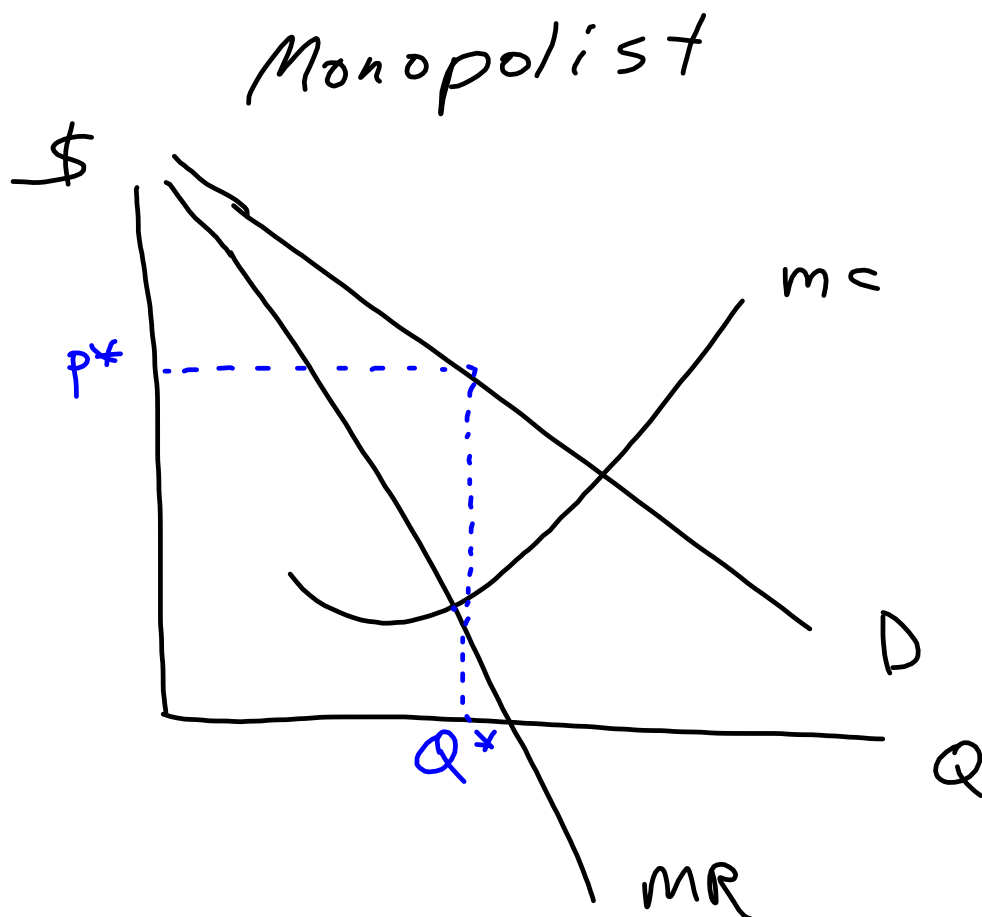
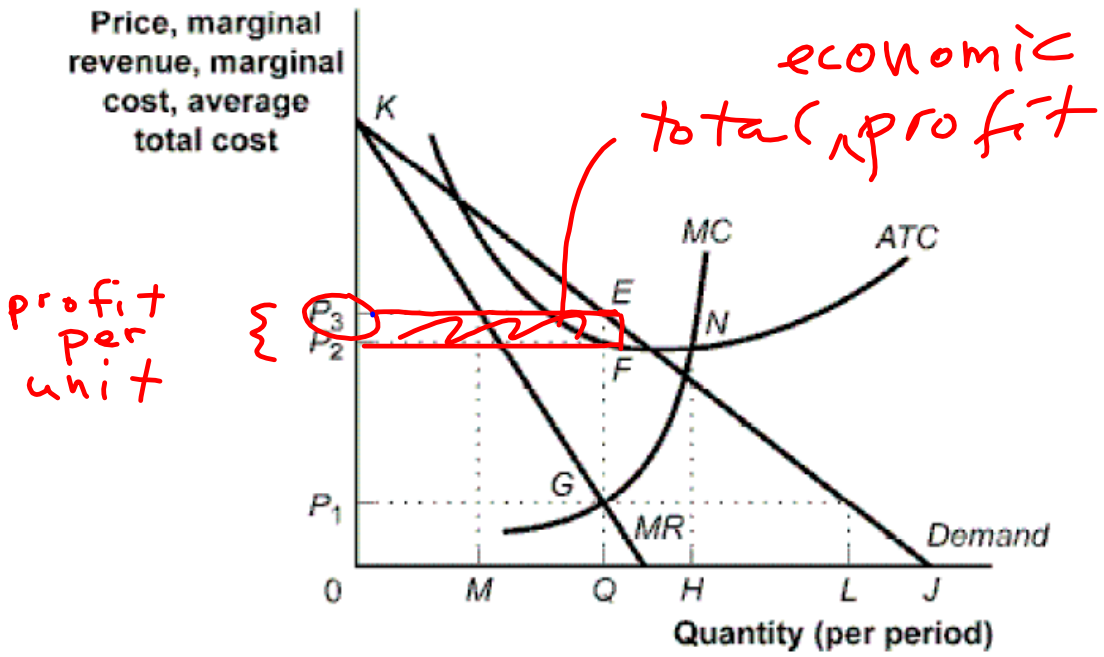
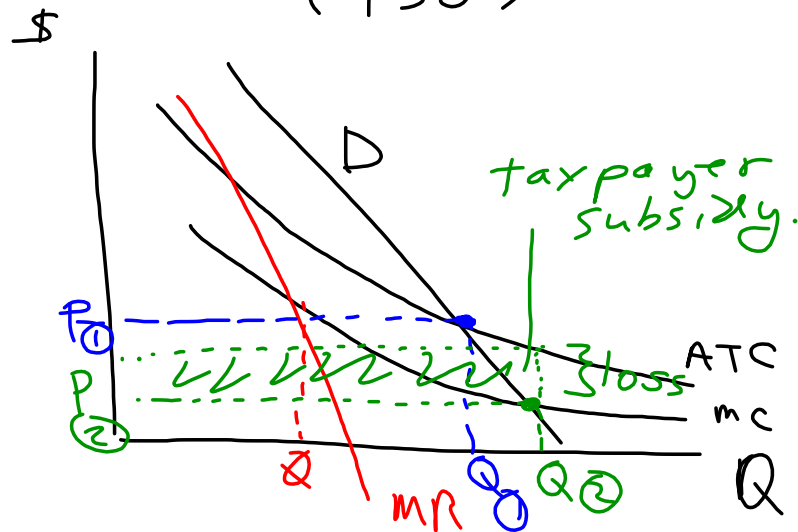


Figure 61-2: Computing Monopoly Profit



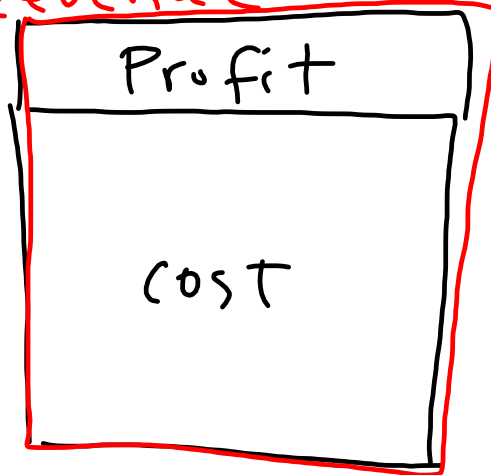
"Natural" monopoly (PSO)



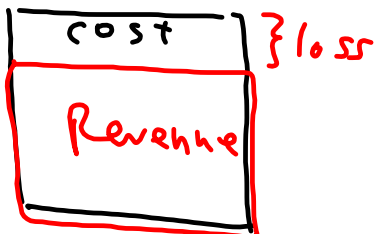
- ① ATC pricing
- ② MC pricing.

If profit :

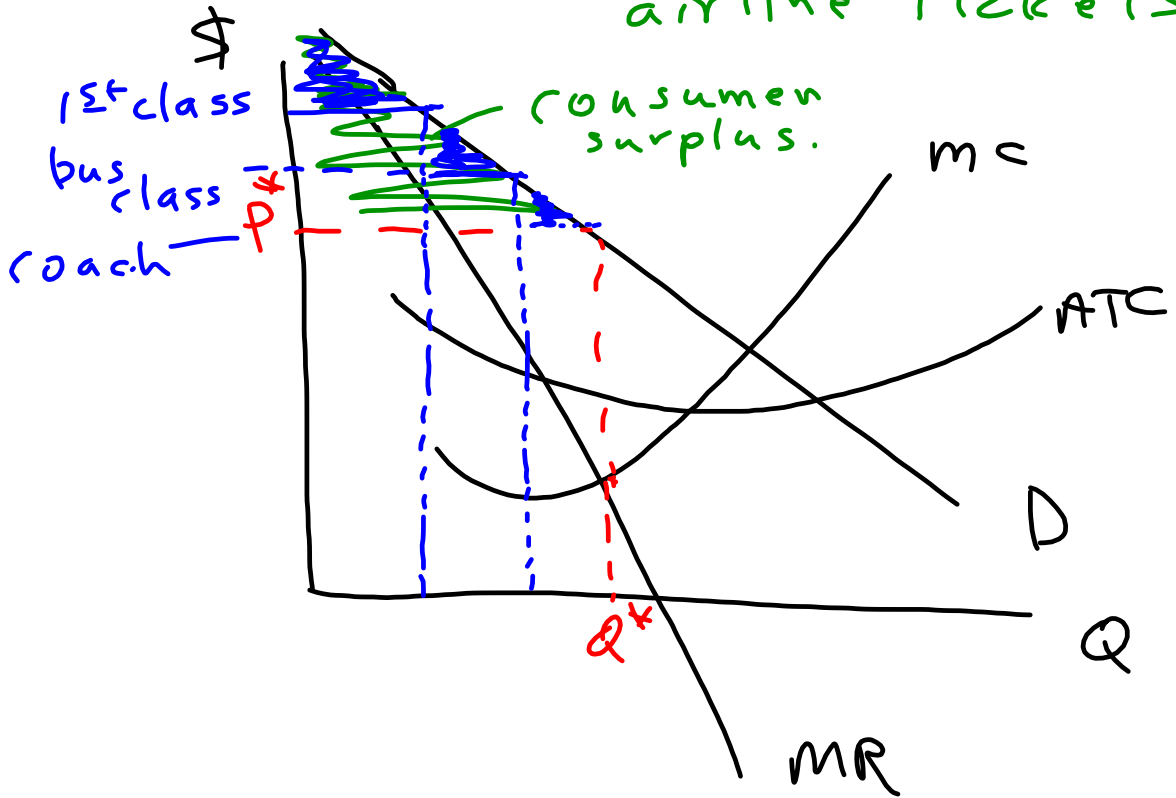
Revenue



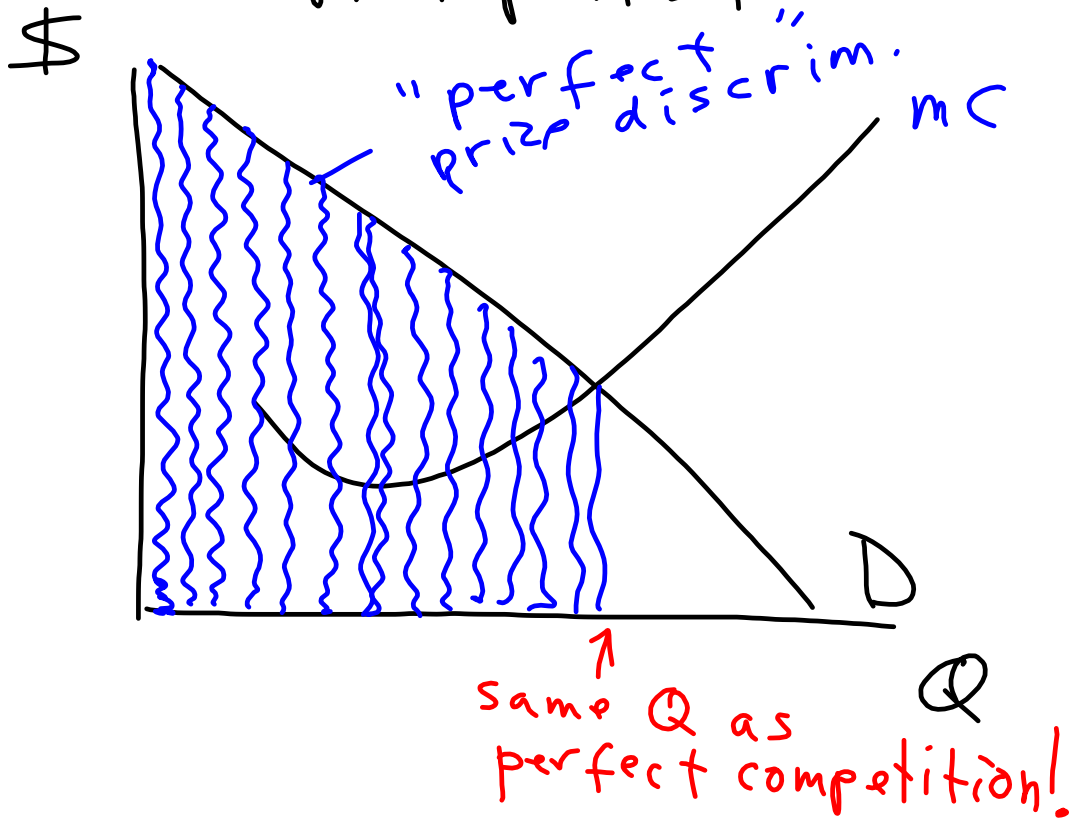
If loss



# Monopolist airline tickets



# Monopolist



Sr. Citizen discount

lower price

→ greater  
revenue.

elastic demand of  
a sub-group.

Airline Tickets:

- economy (cheapest)
- business class  
(more expensive)
- first class  
(most expensive)

**table 64.1**

**Demand Schedule for Lysine**

Price of lysine (per pound)	Quantity of lysine demanded (millions of pounds)	Total revenue (millions)
\$12	0	\$0
11	10	110
10	20	200
9	30	270
8	40	320
7	50	350
6	60	360
5	70	350
4	80	320
3	90	270
2	100	200
1	110	110
0	120	0

