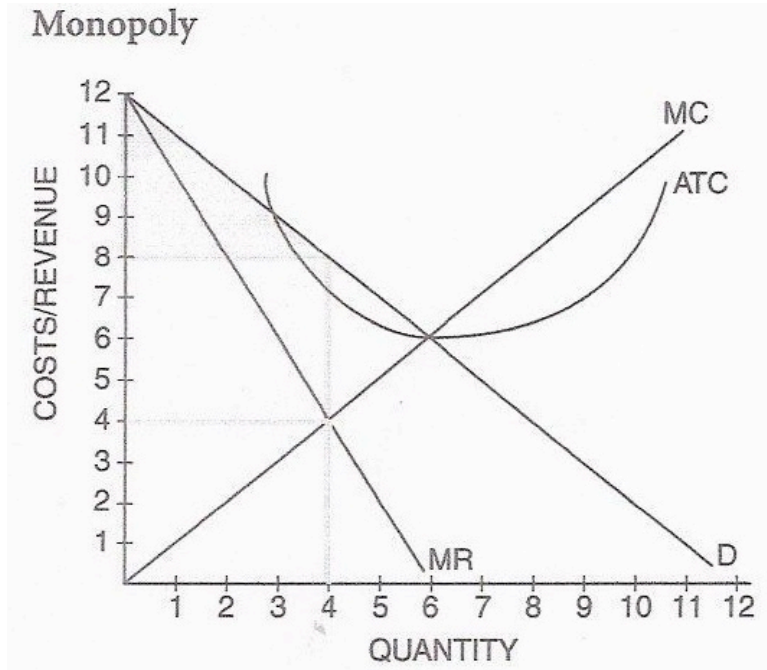


# Monopoly Review



1. What quantity will be produced? Why?
2. What price will the monopolist establish? Why?
3. Calculate the amount of the consumer surplus.
4. Calculate the amount of the producer surplus.
5. How does the price and output of a monopolist differ from that of the perfectly competitive firm?
6. What portion of the consumer surplus in the competitive situation was transferred to the firm in the monopoly situation?
7. How does a monopoly affect consumer surplus? Is this good or bad?