

EXTRA EXERCISE PRICE CALCULATION MONOPOLIST: 2

These are the TC and demand of monopolist ABC.

$$\text{TC} = 0,0025 Q^2 + 20 Q + 12000$$

$$\text{AR} = \text{P} = 50 - 0,005Q$$

Questions:

- Calculate Q^*
- Calculate P^*
- Calculate monopoly profit

Step 1: Calculate TR

Step 2: Calculate MR

Step 3: Calculate MC

Step 4: Calculate Q^*

Step 5: Calculate P^*

Step 6: Calculate TP