

## **EXTRA EXERCISE PRICE CALCULATION MONOPOLIST: 1**

**These are the TC and demand of monopolist ABC.**

$$TC = 100 + 20 Q^2$$

$$AR = P = 400 - 5 Q$$

**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