

Economics II

Firm behavior and supply shaping

Part III.

Decision-making firm in imperfect competition - Monopoly

Introduction

1 Decision-making firms

Monopoly

1.1 Characteristics of monopoly

1.2 Main barriers to entry into the sector

1.3 Optimal output choice

1.4 Price setting

1.5 Monopoly profit

1.6 Price discrimination

1.7 Allocation effectiveness

1.8 Monopoly regulation

Introduction

2 Decision-making firms

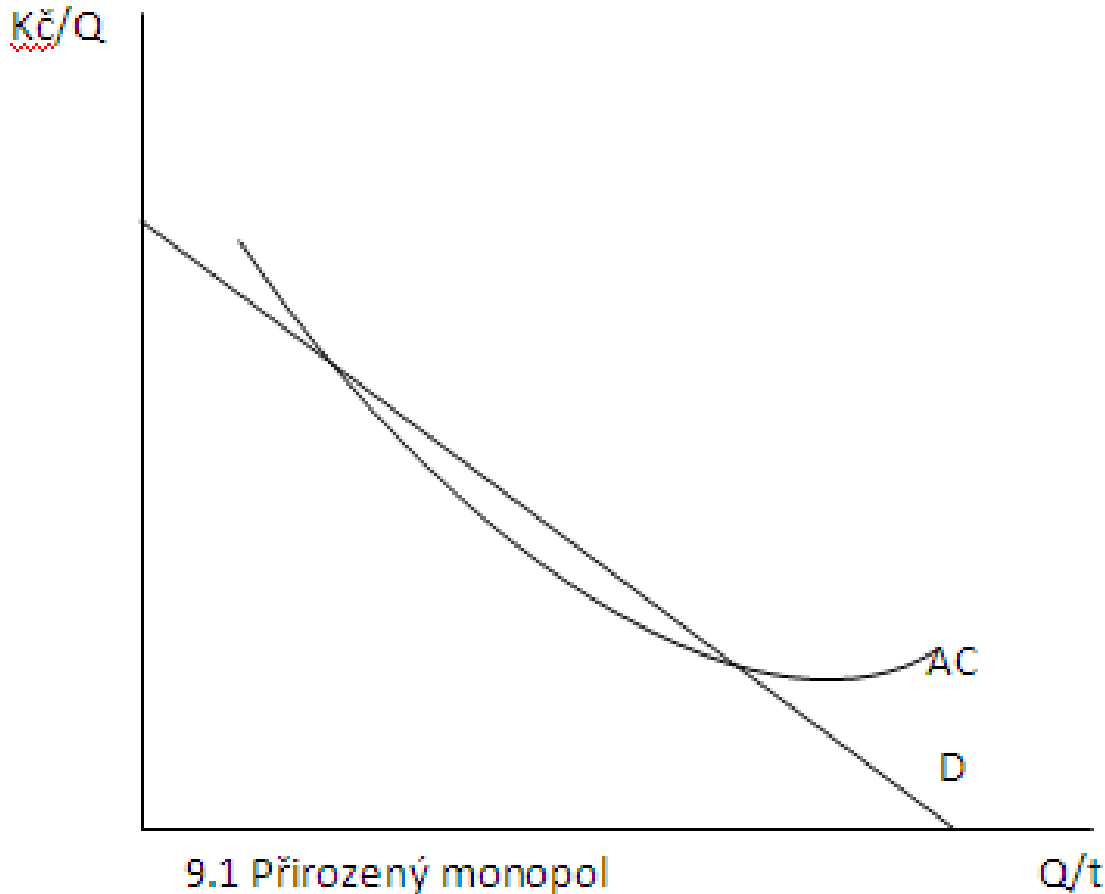
Monopolistic competition

2.1 Characteristics of monopolistic competition

2.2 Profits maximizing in the short and long run

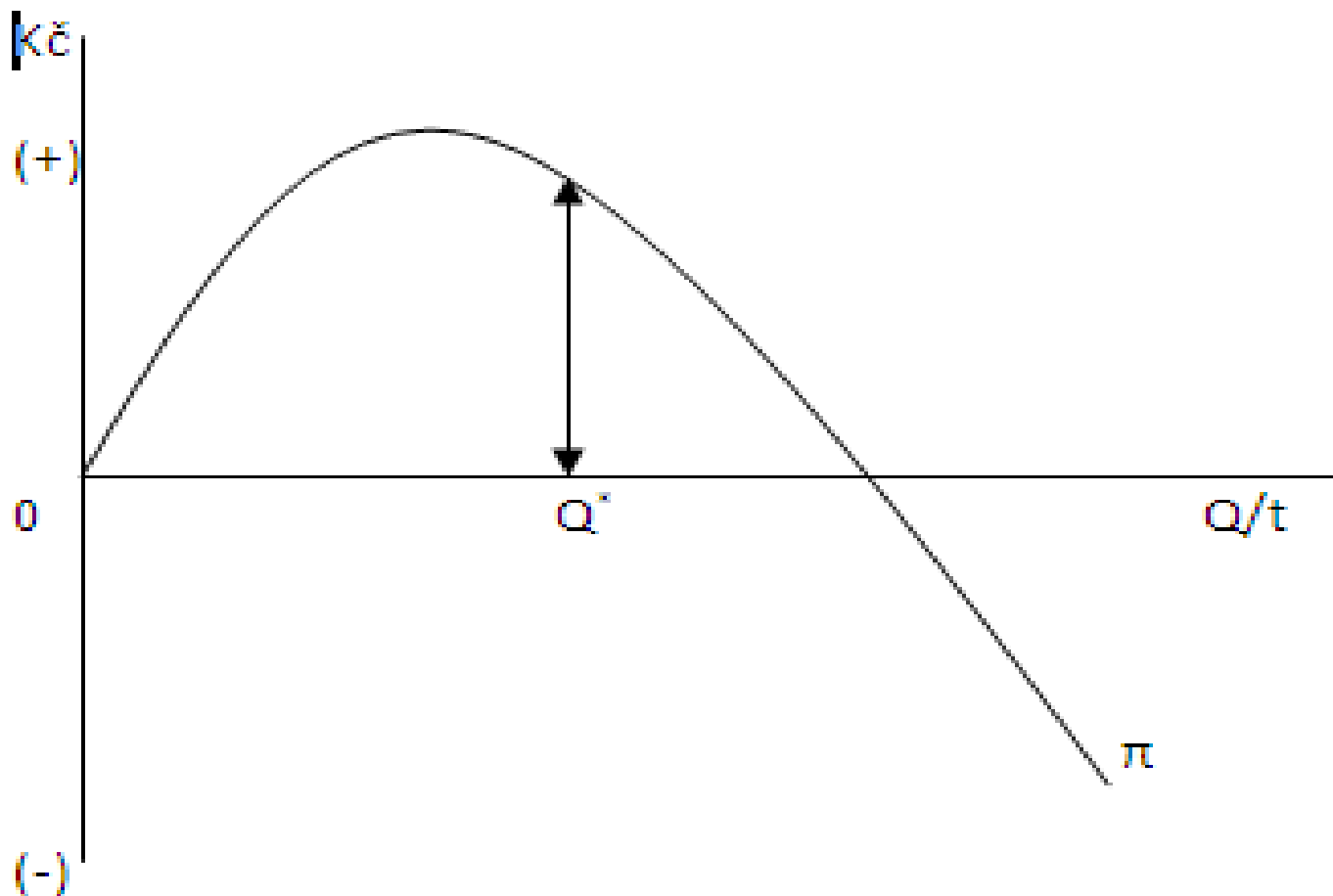
2.3 Monopolistic competition – Chamberlins' model

Natural monopoly

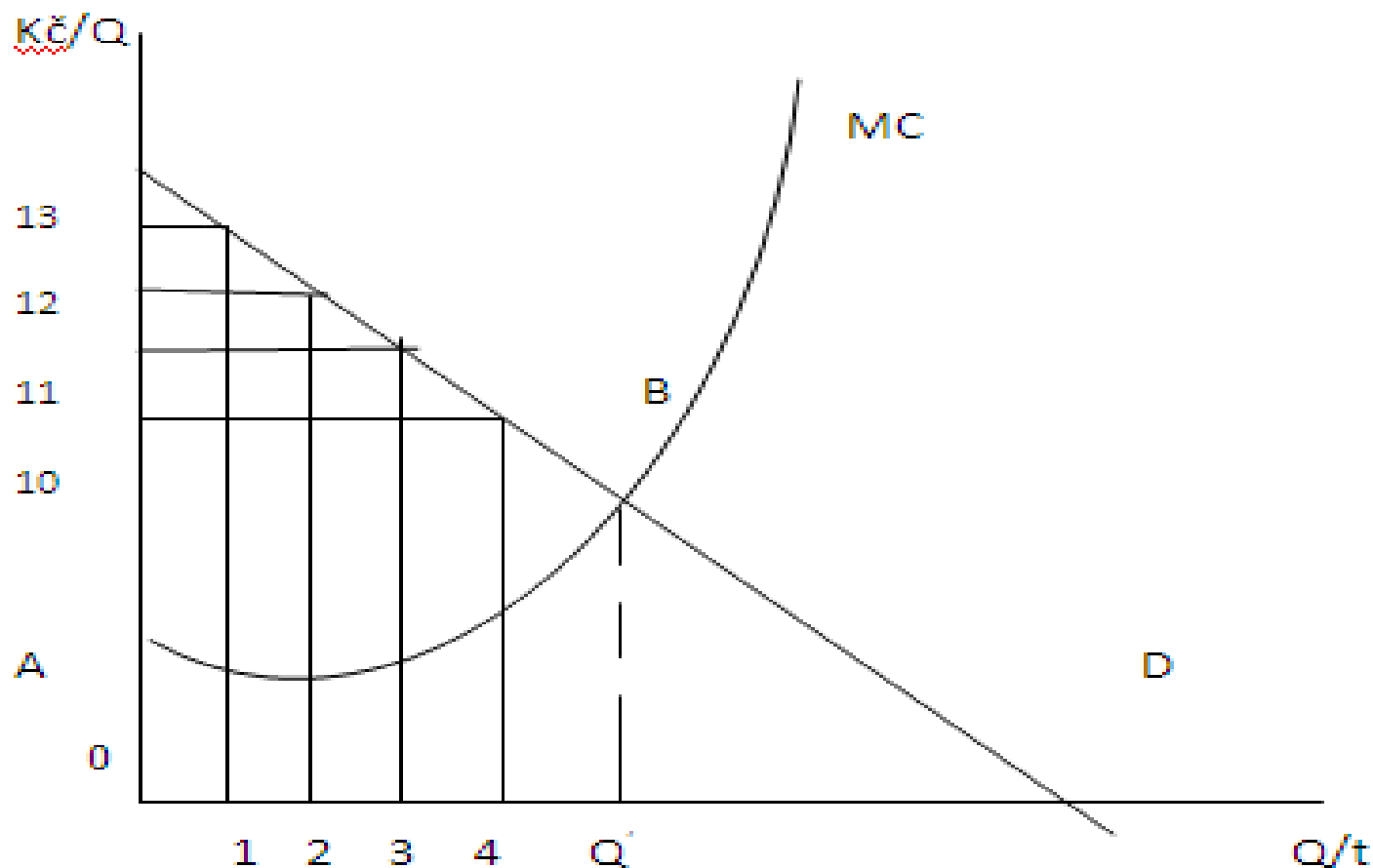


Optimal output choice

- Optimal output

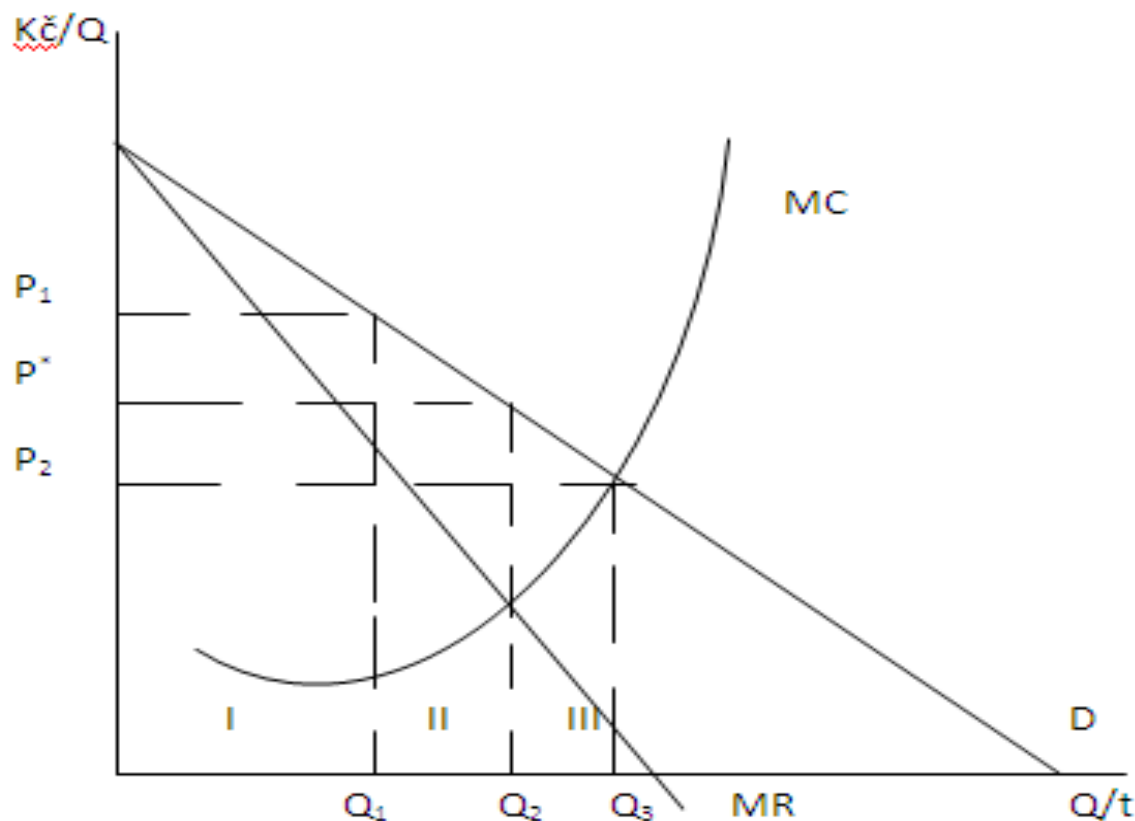


First degree price discrimination



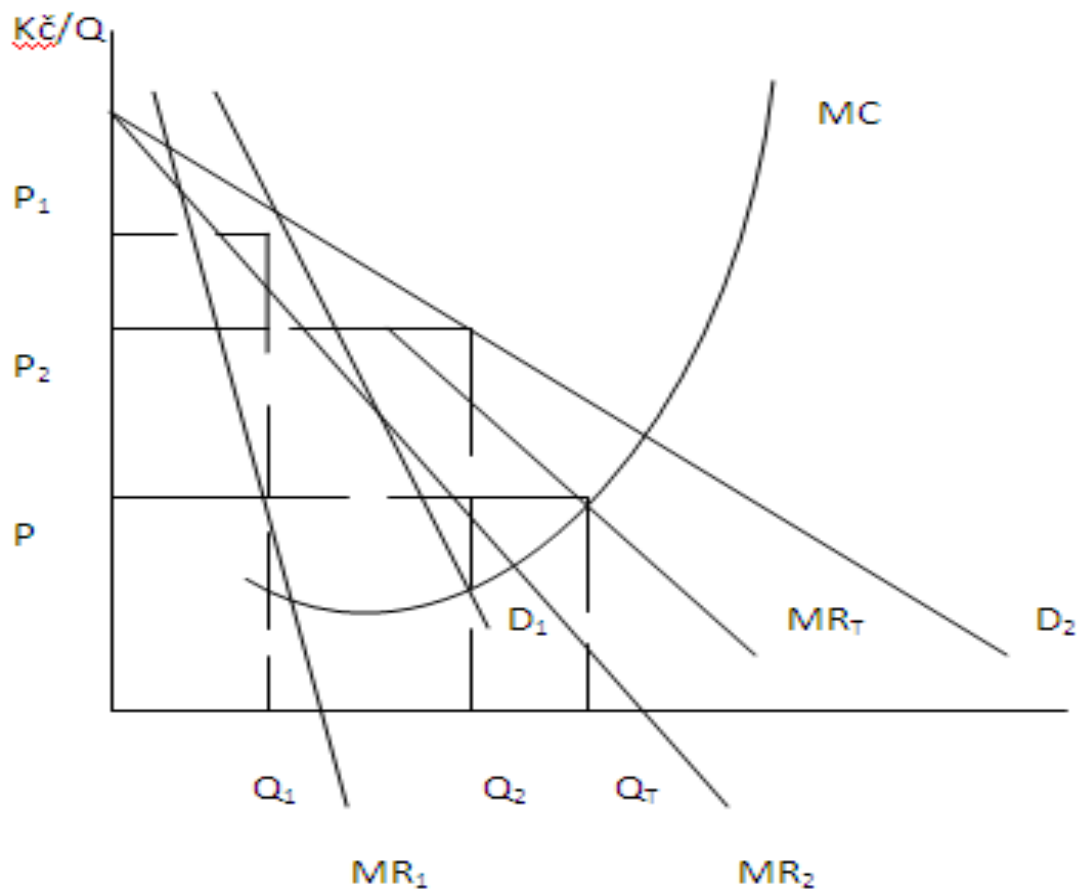
9-5 cenová diskriminace prvního stupně

Second-degree price discrimination



9-6 cenová diskriminace druhého stupně

Third-degree price discrimination



9-8 cenová diskriminace třetího stupně



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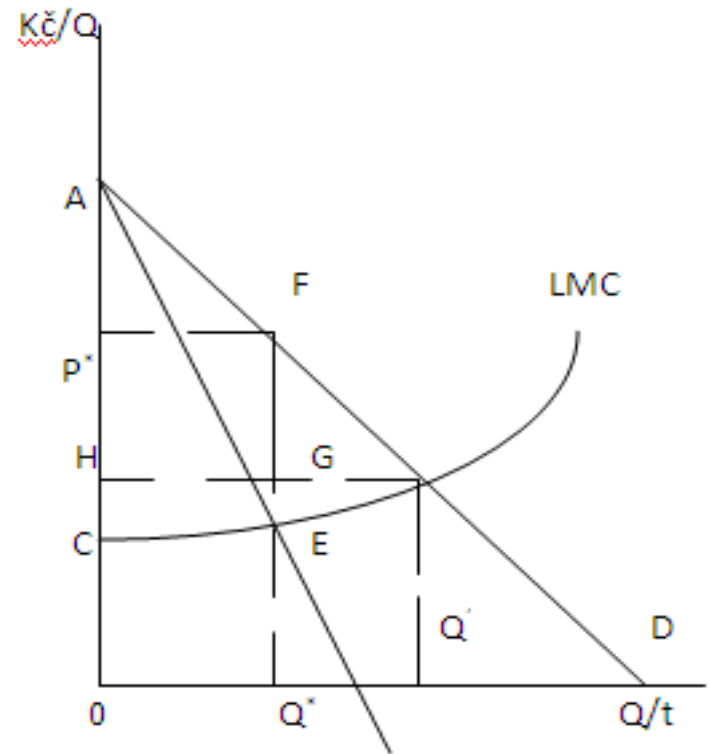
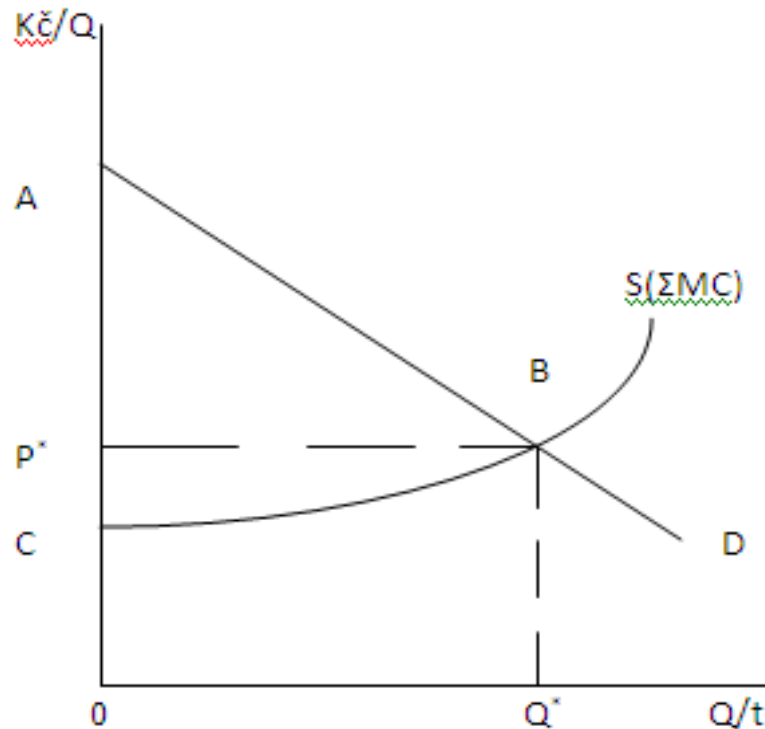
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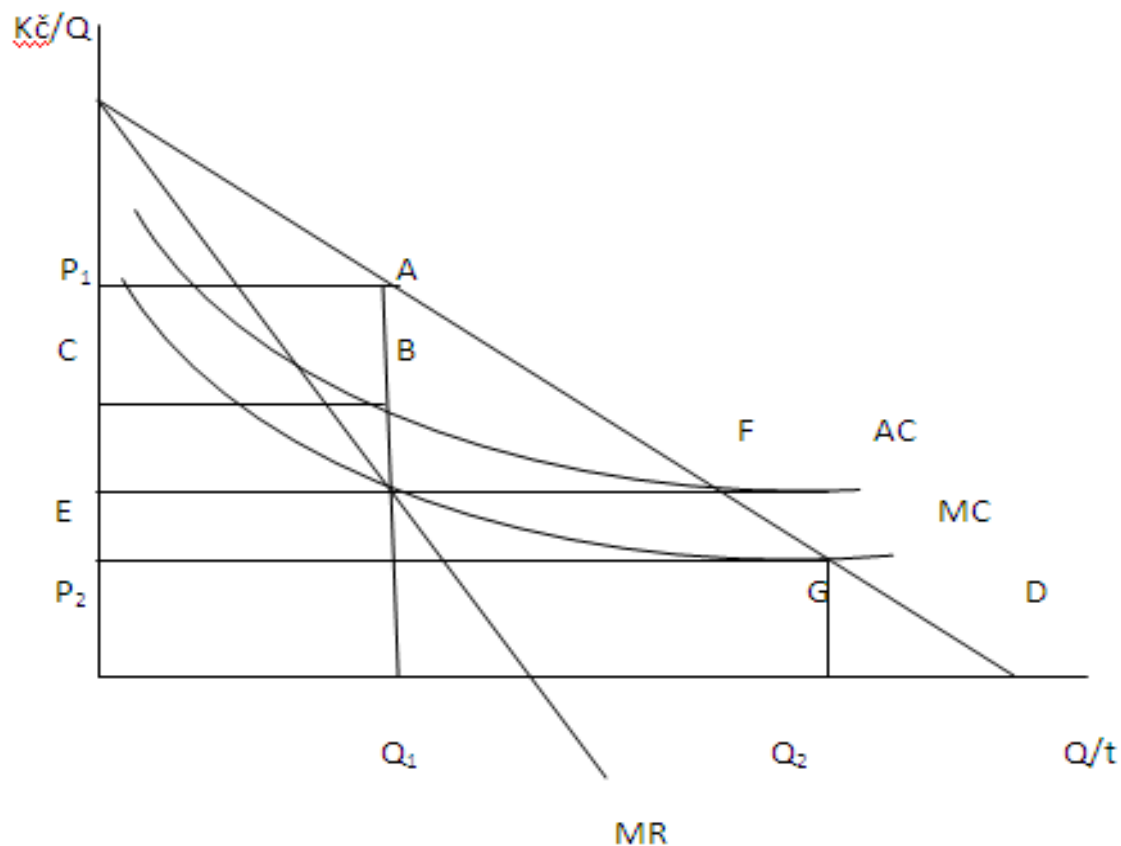
Allocation effectiveness



Srovnání alokační efektivity dokonalé konkurence (a) a monopolu (b)

MR

Natural monopoly price regulation

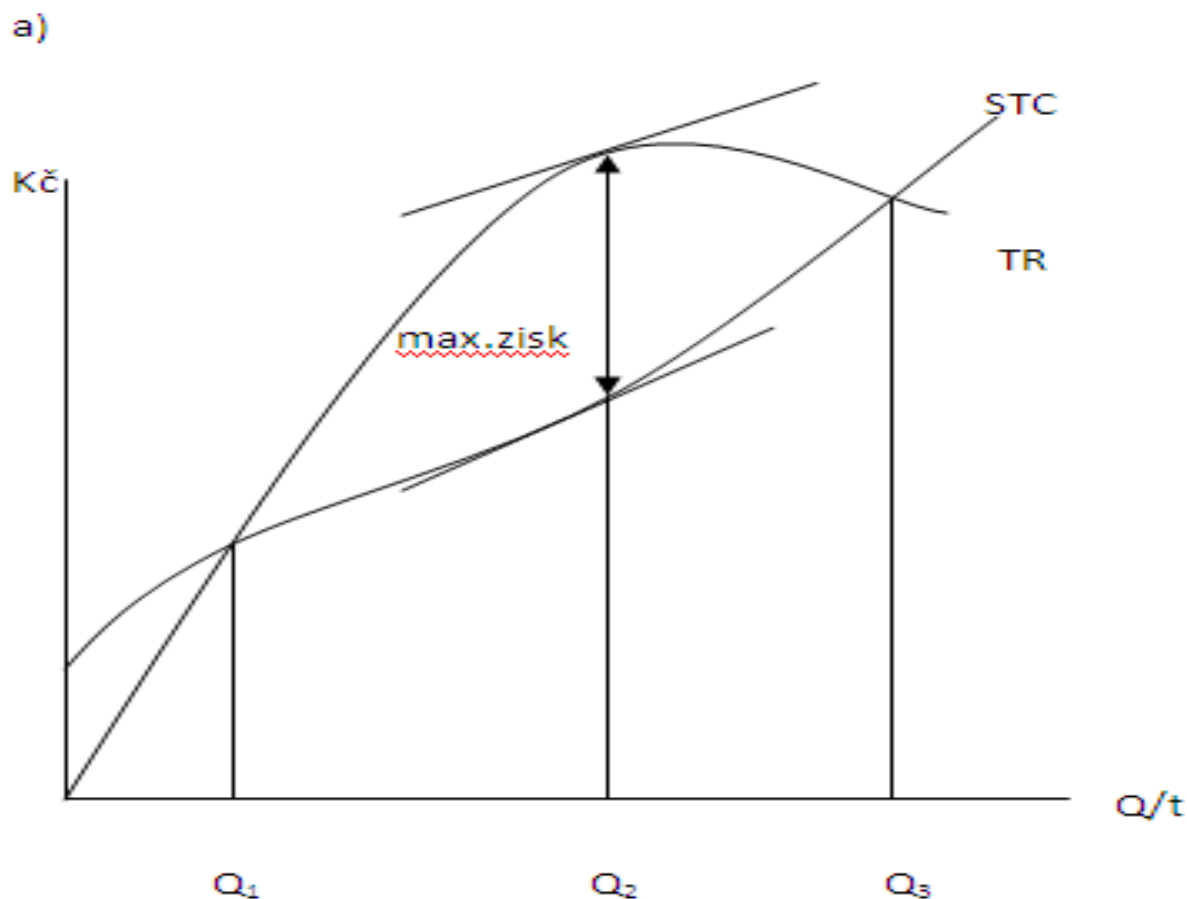


9-12 cenová regulace přirozeného monopolu

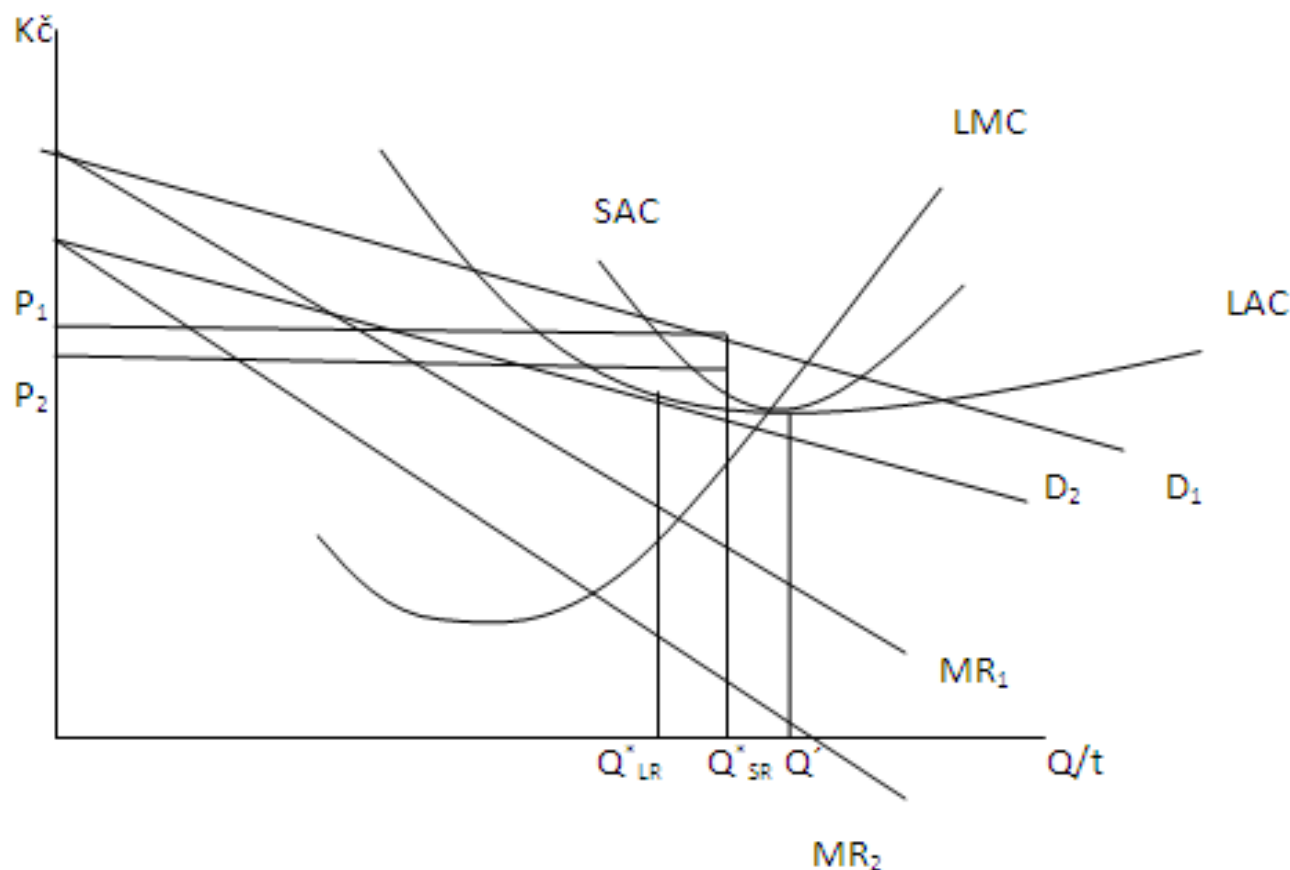
Monopolistic competition characteristics

- large number of manufacturers
- products are very close substitutes
- essential feature is product differentiation
- may be price maker
- free entry or exit

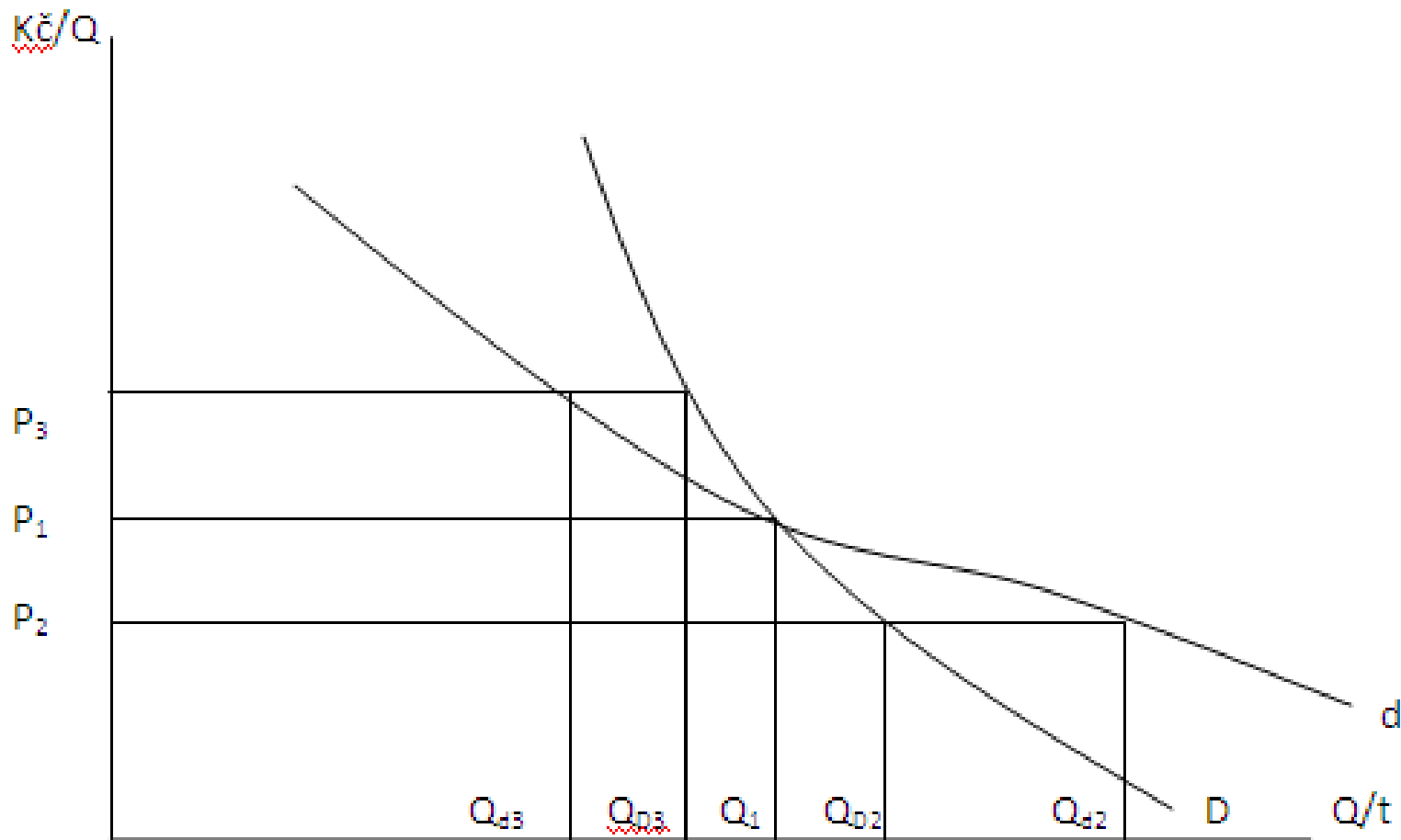
Monopolistic firms maximizing profits in the short run



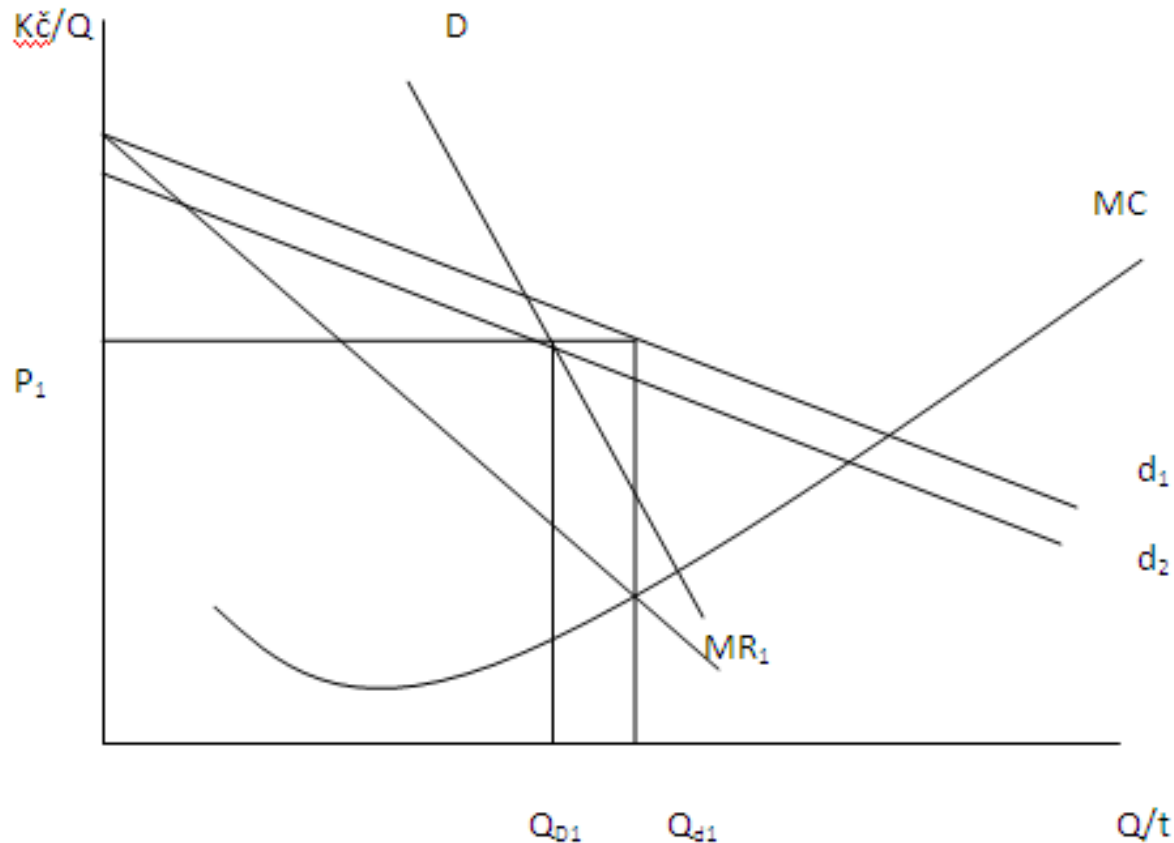
Monopolistic firms maximizing profits in the long run



Two demand curves in Chamberlins' model

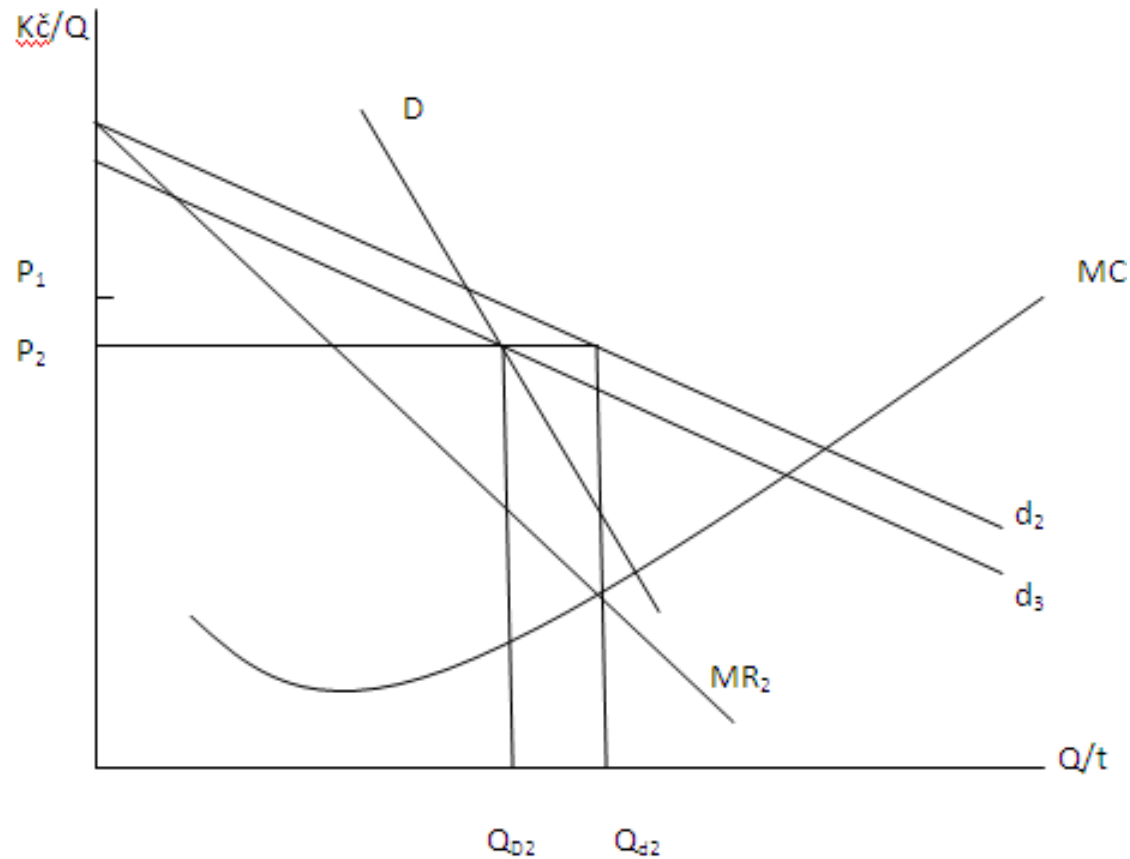


Optimal output in the short run



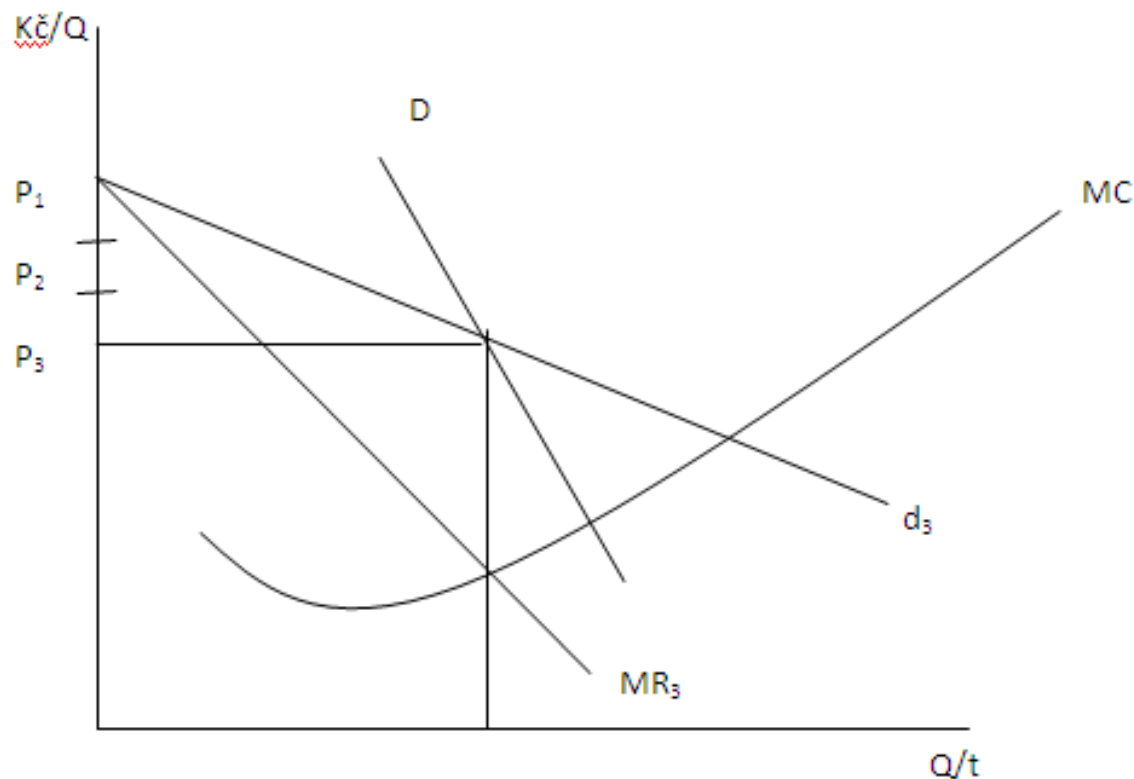
10-6 formování krátkodobého optimálního výstupu monopolistické firmy – I

Optimal output in the short run



10-7 formování krátkodobého optimálního výstupu monopolistické firmy – II

Optimal output in the short run



10-8 optimální výstup monopolistické firmy v krátkém období

Thank you for your attention



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