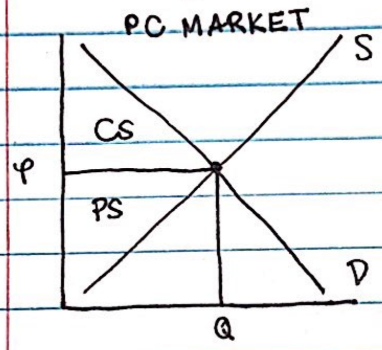
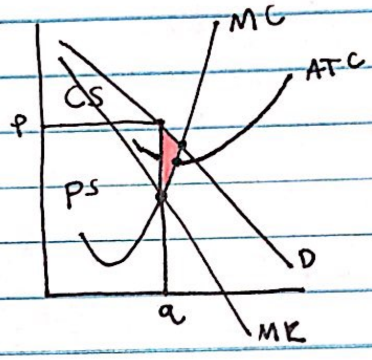
Pure Monopoly

* MR curve lies below the D curve b/c to sell an additional unit the firm must lower the P on all units
- No Long Run adjustment





→ PC produces most
→ monopoly charges most
→ same D & S curve
→ $D_{monopoly} = D_{market}$

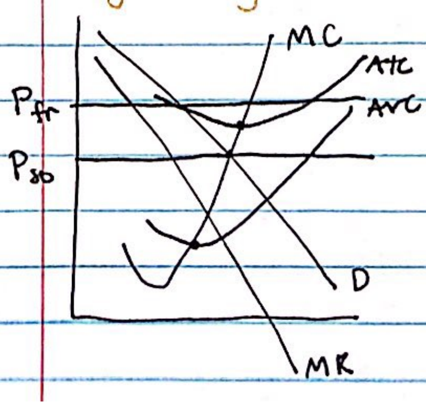
Non-perfectly Competitive Market

- NEVER productively efficient
  ↳ P ≠ min ATC (same as [illegible])   MR = MC @ PMQ
- P > MR   MR = MC, P > MC for profit maximizing firms with single P

Economic Efficiency

- allocative – P = MC
- productive – P = min ATC

Regulating the Monopoly



→ MC Pricing (socially-optimal) P = MC

→ ATC Pricing (fair-return) P = ATC