

Answer on Question #49257 – Economics - Microeconomics

Like a perfectly competitive firm, if a monopolist wants to know how much it will save by reducing output, it will evaluate its:

- marginal product function
- average product function
- marginal cost function
- average variable cost function
- average total cost function

Flag this Question

Question 11 2.5 pts

Under uniform pricing, a profit maximizing monopolist's price is:

- the same as the price that would prevail if the industry were perfectly competitive
- less than the price that would prevail if the industry were perfectly competitive
- greater than the price that would prevail if the industry were perfectly competitive
- none of the above

Flag this Question

Question 12 2.5 pts Skip to question text.

Suppose that a monopolist finds itself to be operating at a break-even point. It follows that its:

- i. total revenue is equal to total variable cost
- ii. total revenue is equal to total cost
- iii. average revenue is equal to average variable cost
- iv. average revenue is equal to average total cost

- i
- ii
- iii
- i and iii
- ii and iv

Flag this Question

Question 13 2.5 pts Similar to a perfectly competitive firm, a monopolist that is confronted with fixed costs in the short run should produce versus shut down if the total revenue that it can generate is sufficient to cover its:

- total fixed costs
- marginal costs
- total variable costs
- total costs

Flag this Question

Question 14 2.5 pts Skip to question text.

Suppose a firm has monopoly power in the production of a particular good. If it finds that revenue and cost conditions are such that at all levels of output the price it can charge in order to sell all of the units is less than the average variable costs then it is in the firm's best interest to:

- close down because its operating losses will exceed its shut-down losses at all levels of output
- maximize profits by producing where $MR = MC$
- close down because its total operating cost will exceed its total revenue
- minimize losses by producing where $MR = MC$