Winthrop University

College of Business Administration

Managerial Economics Dr. Pantuosco

Problem Set 4 Bi-lateral Monopoly

Bi-lateral monopoly question

Bi-lateral Monopoly

P = 700 – 12q (demand)

P = 100 + 6q (supply)

a. Find the competitive market price and output

b. Find the monopoly seller preferred price and output

c. Find the monopsony buyers preferred price and output

d. graph your answers, label the lines, put all of your answers in the proper places on the graph.

MC

S

MR D

Q\* Quantity