[Summary]

Monopoly

Subject:	Business Economics
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Unit No. & Title:	Unit – 1 Market with Imperfect Competition
Lecture No. & Title:	Lecture – 1 Monopoly

Summary

Thus we can conclude as a Monopoly is a firm which is sole selling in his market. It has a downward slopping demand curve for its product. Its marginal revenue curve is always below the price of its good. A monopolist maximizes its profit by producing the quantity at which marginal cost is equals to marginal revenue. Hence as its price exceeds its marginal revenue, so it also exceeds marginal cost. He may cause deadweight loss. A monopolist can also raise their profit by selling at different prices based on willingness to pay, or we can say it can discriminate the price to increase economic welfare, and can hence reduce deadweight loss.

In this chapter we have learnt the basic concepts of monopoly.

We have also discussed its equilibrium ie, profit maximization of firm. And various other related topics.