

# Micro Principles

Georgetown University School of Foreign Service in Qatar  
Summer 2019

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## **Problem Set 8**

Due in class on June 22, 2019.

### **Problems from Chapter 13:**

Problems (page 325): 10 & 11.

### **Additional Problems:**

1. Draw the diagram for a profit-maximizing monopolist earning an economic profit. Show the profit maximizing output rate, the monopoly price, the ATC at the profit-maximizing output rate, and the economic profit.
2. “A profit-maximizing monopolist always produces on the relatively elastic segment of her demand curve.” Use a diagram to explain why the statement is true or false.