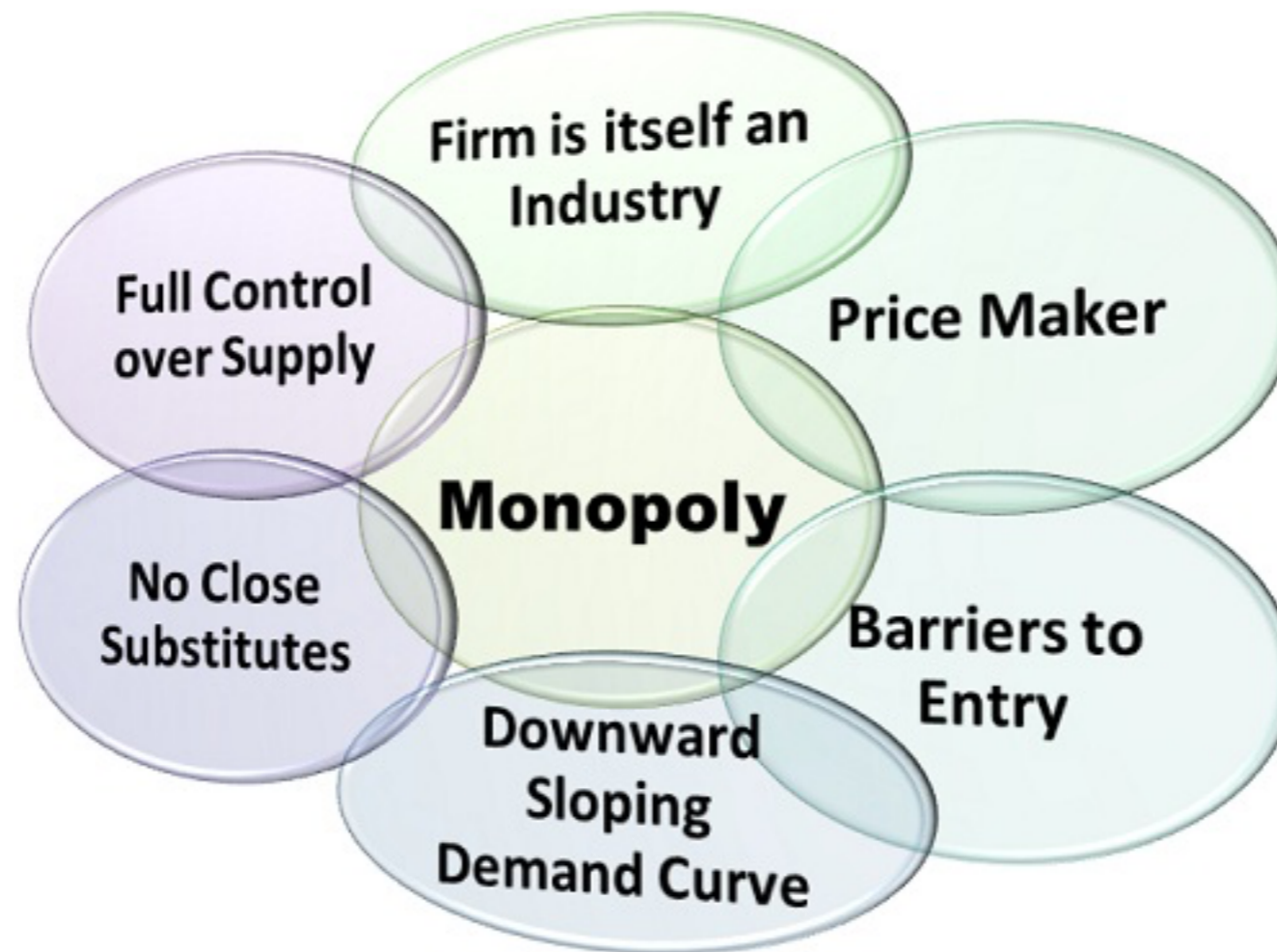


Monopoly and Oligopoly

Microeconomic analysis

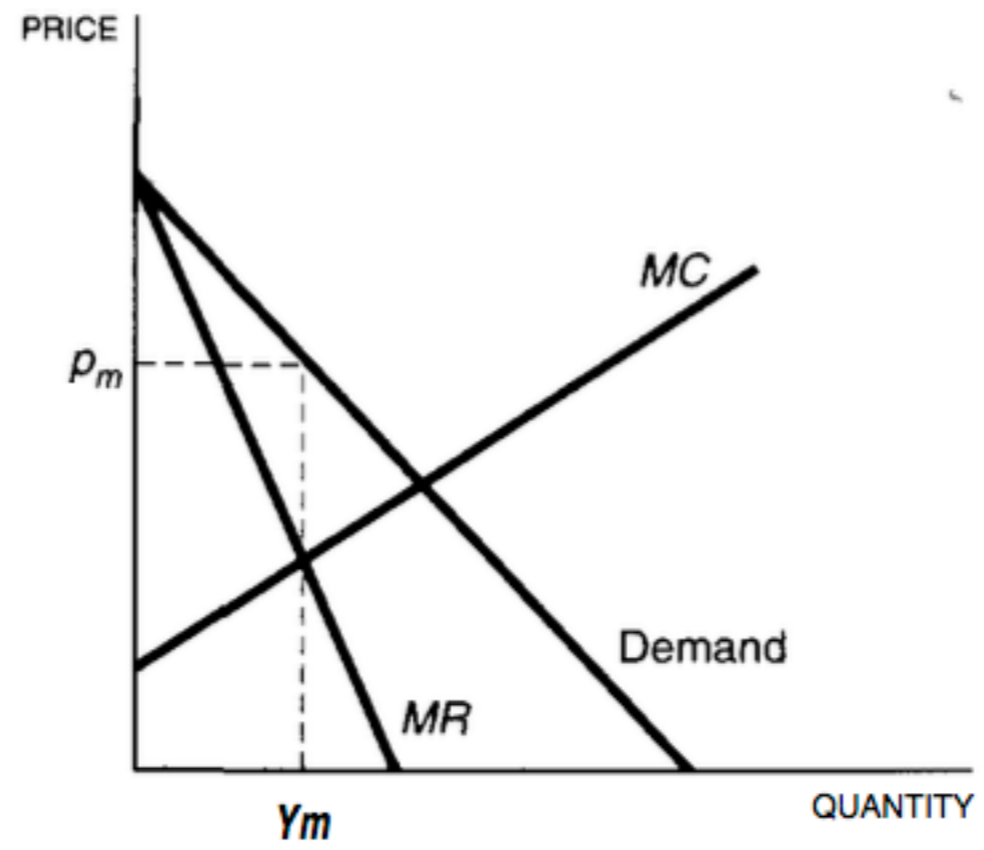
Monopoly



$$\max_{\mathbf{P}, \mathbf{Y}} py - c(y)$$

such that $D(p) \geq y$

$$\max_{\mathbf{p}} pD(p) - c(D(p)).$$



Determinant of the monopoly output

Oligopoly

- Oligopoly (from the Greek «oligos», few, and «polein», to sell) is a form of market structure that is considered as half way between two extremes: perfect competition and monopolies.



Oligopoly

$$\text{Max } \pi_i = p(Q) * q_i - C_i * q_i$$

Oligopoly

$$\frac{\partial \pi_i}{\partial q_i} = p + q_i * \frac{\partial p}{\partial Q} * \frac{\partial Q}{\partial q_i} - C_i = 0$$

Oligopoly

$$p + q_i * \frac{\partial p}{\partial Q} (1 + CV) = MC$$

Duopoly

