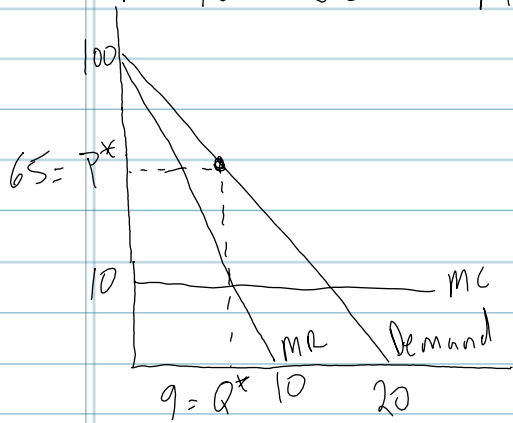


Profit Maximizing Price and Output for a Monopolist

Econ 2110

$$P = 100 - 5Q \quad MC = 10 \quad MR = 100 - 10Q$$



$$MC = MR$$

$$100 - 10Q = 10$$

$$90 = 10Q$$

$$Q^* = 9$$

$$P = 100 - 5(9)$$

$$= 100 - 45$$

$$= 65$$

$$P^* = \$65, \quad Q^* = 9$$