Assignment #23
Monopoly

At a Bartram Trail track meet, the only t-shirt seller is the host school. There are no other competitors.

Given the following information, fill in the grid.

| Demand | | | | | | | | | | | |
QD	$	PE d	TR	VC	AVC	FC	TC	ATC	MC	MR	Profit
40	18										
60	16										
80	14										
100	12										
120	10										
140	8										

It costs $8.00 to make each shirt.
Fixed costs are $50.00.

1. On ONE properly labeled diagram, graph ATC, AVC, MC and Demand.
2. At what price and quantity should the school operate to maximize its profit.?
3. On the graph, shade in the school's profit.
4. What kind of returns to scale does producing this product have?