

## EE211 Section 1

**Homework 5 due on 1<sup>st</sup> May 2026 (Email: kaewkwanee211@gmail.com)**

**Explain your answers with graph in details.**

1. Profit Maximization for a Monopoly
  - a. Draw the demand, marginal revenue, average-total-cost, and marginal cost curves for a monopolist. Show the profit maximizing output, the profit-maximizing price, and the amount of profit.
  - b. In your diagram from the previous question, show the output that maximizes total surplus. Show the deadweight loss from the monopoly. Explain your answer.
2. Why is a monopolist's marginal revenue less than the price of its good?
3. Give an example of a **negative externality** and an example of a **positive externality**.
4. What are the corrective taxes? Why do economists prefer them to regulations as a way of protecting the environment from pollution?

Mankiw, N.G., (2023) **Principles of Microeconomics**, 10th ed., Cengage, (ISBN-13: 978-981-5119-30-5)

### **Chapter 16**

Problems and Applications # 1, 3, 4 and 5

### **Chapter 19**

Problems and Applications # 1, 2, and 3

### **Chapter 8**

Problems and Applications # 3