EE211 Section 1
Homework 5 due on 23rd November 2025 (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