

MERGER ANTITRUST LAW

LAWJ/G-1469-05
Georgetown University Law Center
Fall 2021

Tuesdays and Thursdays, 3:00-5:00 pm
Dale Collins
wdc30@georgetown.edu
www.appliedantitrust.com

CLASS 10 WRITTEN ASSIGNMENT

Instructions

Submit by email by 3:00 pm on Thursday, September 30
Send to wdc30@georgetown.edu
Subject line: Merger Antitrust Law: Assignment for Class 10

Assignment

Calls for short answers. If you want to use math or graphs in your answers, please feel free to write your answers using a pencil and paper (rather than a computer). Attach either a scan or a photograph to your email.

Questions:

1. What is elasticity of demand?
2. What is cross-elasticity of demand?
3. Explain what it means for demand to be inelastic at a given point on the demand curve.
4. Explain why a monopolist will never price in the inelastic portion of its demand curve.
5. What is a perfectly competitive market?
6. What is the profit-maximizing condition for firms in a perfectly competitive market?
7. What is a perfect monopoly?
8. What is the profit-maximizing condition for a firm that is a perfect monopolist?
9. What is an imperfectly competitive market?
10. What is the Lerner index? What does it measure?
11. What is a control variable?
12. What is the control variable in a Cournot oligopoly model?
13. What is the control variable in a Bertrand oligopoly model?
14. Using the first-order condition $mr = mc$ for a profit-maximizing firm, derive the results in the table on Slide 45 comparing the competitive, monopoly, and two-firm Cournot equilibrium results for prices and aggregate output.

If you have any questions, send me an e-mail. See you in class.