

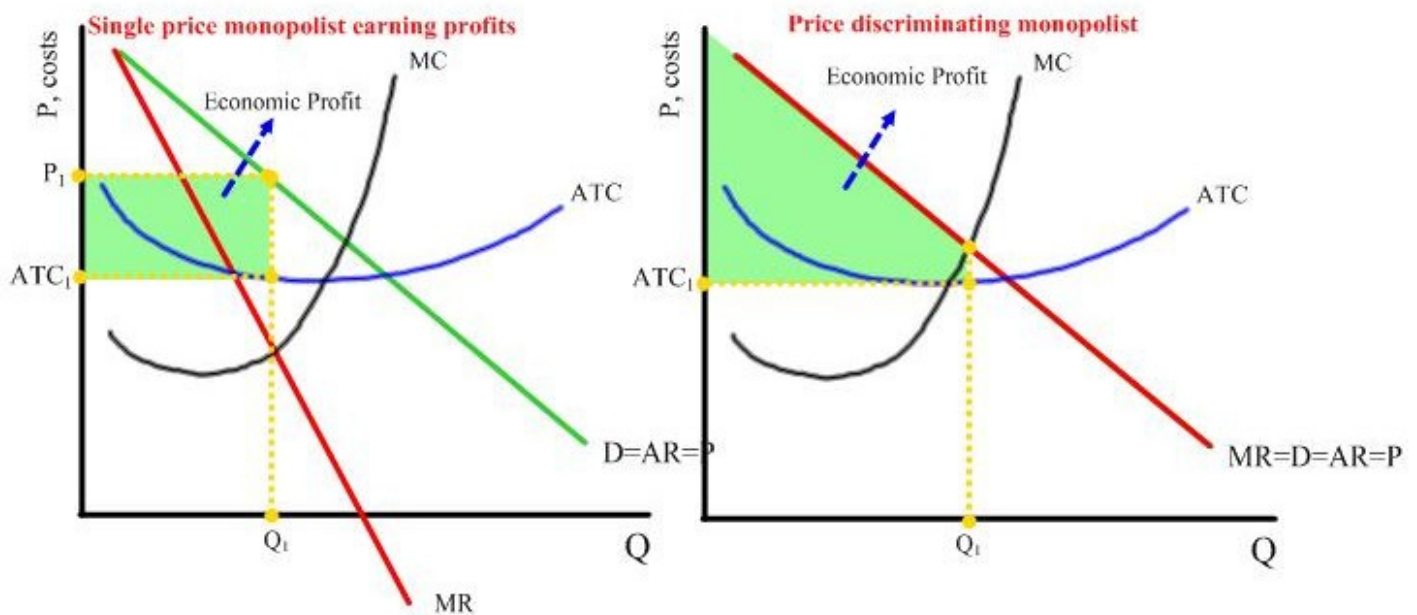


Worksheet 9.2

Monopoly prices, to regulate or not to regulate

[This article](#) gives a great introduction to and several examples of price discrimination among firms with market power. Read paragraphs two to five up to ‘...(small business, large business, home users)’ then think about the questions that follow.

Graphical illustration of the effects of perfect price discrimination:



Questions:

1. Who suffers as a result of price discrimination?
2. Who benefits from price discrimination and how do they gain?
3. Have you been the ‘victim’ of price discrimination? When?
4. Have you benefited from price discrimination? How?
5. Is society as a whole better or worse off when a monopolist is able to price discriminate? Explain.