



**JAGATPUR P.G. COLLEGE, VARANASI**  
**(Affiliated TO M G K V P VARANASI)**



**SUBJECT : COMMERCE**

**CLASS : B.Com**

**YEAR : I - YEAR**

**NAME OF THE PAPER : IV- Business Economics**

**NAME OF TOPIC : Monopoly, Duopoly, Oligopoly,  
Price Discrimination**

**Key Words : Price Determination under Monopoly and Meaning &**

**Definition of Duopoly & oligopoly**

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A monopoly is a single seller in a particular market. Actually the Term monopoly in Economics is connected with the degree of competition prevalent in the Market. The Absence of any form of competition and the existence of pure control of production by a single firm is the fundamental characteristics of monopoly.

According to Benham, "A Monopolist is the literally a seller and monopoly power is based entirely on control over supply".

Thus we can say monopoly as "A market structure in which a single firm is selling a product for which there are no close substitutes."

### **Feature of Monopoly**

The main features of monopoly as follows :

1. Single seller
2. Monopoly is also an industry
3. substitute of the commodity
4. No entry of new Firms
5. Price control
6. Different Average and Marginal Revenue Curves

## **Equilibrium of Monopoly : Price and output Determination**

Like the firms working under perfect competition, the goal of the monopolist is also to maximise Profits : The monopolist gets maximum profit when he is producing equilibrium output.

Under Monopoly equilibrium output and price determined by two different approach.

1. Total Revenue and total cost Analyse is
2. Marginal Revenue and Marginal Cost Analysis

### **1. Total Revenue and Total Cost Analysis**

The TR and TC curves Methods applies to a monopoly firm as well as to firms in other kinds of market structure.

According to this approach a firm is in Equilibrium when it produces that Amount of output at which the difference between total revenue (TR) and /Total Cost (TC) i.e. total profit is maximum.

### **2. Marginal Revenue and Marginal Cost Analysis**

Another methods to find out the profit maximising output and price for a firm under monopoly is to calculate its marginal cost (MC) and marginal Revenue (MR) at different level of output.

### **Price Determination under Monopoly**

- i) Short term or short period
- ii) Long term or long period

Since in the short period the time available is not sufficient to alter production, to adjust with the Demands hence in the short Run a firm can be in equilibrium in the following three conditions:

- i) Normal Profit
- ii) Super Normal Profit
- iii) Normal Losses

### **Long term or long period**

The Monopoly Price, price Determination in the Long Run is similar to that under the short period. In long run the monopoly firm adjust its capacity to change in long run demand. Term Period the Firm can get only super profit.

### **Price Discrimination**

Price Discrimination refers to the practice of Selling the same commodity at different prices to Buyers. Monopolist usually charges different prices for the same product at the same time from different customers. When the firm adopts this practice, it is called Discriminating monopoly as price discrimination.

According to Mrs. Joan Robinson, "Price Discrimination is the Act of selling the same article produced under single control at different price to the different Buyers."

## **Oligopoly**

Oligopoly is an important form of imperfect competition where there are few firms in the market producing either homogeneous products. Oligopoly is also referred to as limited competition, Incomplete monopoly. The prices and productions of many products such as steel, Aluminum, cars, Tires, heavy electrical equipment.

The following are the important features of oligopoly :

1. Monopoly power
2. Interdependence
3. Indeterminate Demand Curve
4. Role of Selling costs
5. Conflicting Attitude of Firms
6. Lack of uniformity
7. Price Rigidity

## **Duo-poly**

Duopoly refers to that situation in the market in which two different manufacturers are marketing their Brands for a product which is either absolutely same or nearly the same in quality. Both are Independent with regard to manufacturing at their products and compete with each other. If one manufacturer. Makes changes in the Policy relating to production and Marketing cost, then this is immediately reciprocated by a forceful reaction from the other manufacturers.

In Short following are the main features of Duopoly :

1. This is reflective of a situation in which there are only two manufacturer of a specified product.
2. Both the manufacturers market either identical are nearly identical products.
3. Both are Independent manufacturers and compete with each other.

**Related questions :**

1. What is monopoly?
2. Explain the Price Determination of Monopoly.
3. What is Price Discrimination
4. What is Duopoly?
5. What is Oligopoly?

**References :**

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## **SELF DECLARATION**

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**THANK YOU**

