(c) Now assume that the monopolist produces 10 units. Using the numbers given in the graph, calculate each of the following. Show your work.

(i) The monopolist's economic profit

(ii) The consumer surplus

(iii) The deadweight loss

(d) At what quantity is demand unit elastic?

(e) Suppose the monopolist perfectly price discriminates and chooses the quantity that maximizes profit. Determine the dollar value of each of the following.

(i) The monopolist's profit

(ii) The consumer surplus

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2. Ray's Stable hires workers in a perfectly competitive factor market for unskilled labor.

(a) Using correctly labeled side-by-side graphs for the labor market and Ray's Stable, show each of the following.

(i) The equilibrium wage and quantity for unskilled labor, labeled W_E and Q_E, respectively

(ii) The wage paid by Ray's Stable and the quantity of unskilled labor hired, labeled W_R and Q_R, respectively

(b) Is the marginal factor cost of unskilled labor for Ray's Stable greater than, less than, or equal to W_E? Explain.

(c) Now assume that the government imposes an effective minimum wage for unskilled labor.

(i) Show the minimum wage on your graphs in part (a), labeled W_{MIN}.

(ii) On the labor market graph in part (a), show the quantity of unskilled labor supplied in the labor market as a result of the minimum wage, labeled Q_S.

(iii) As a result of the new minimum wage, will the marginal revenue product of the last worker hired by Ray's Stable increase, decrease, or stay the same?