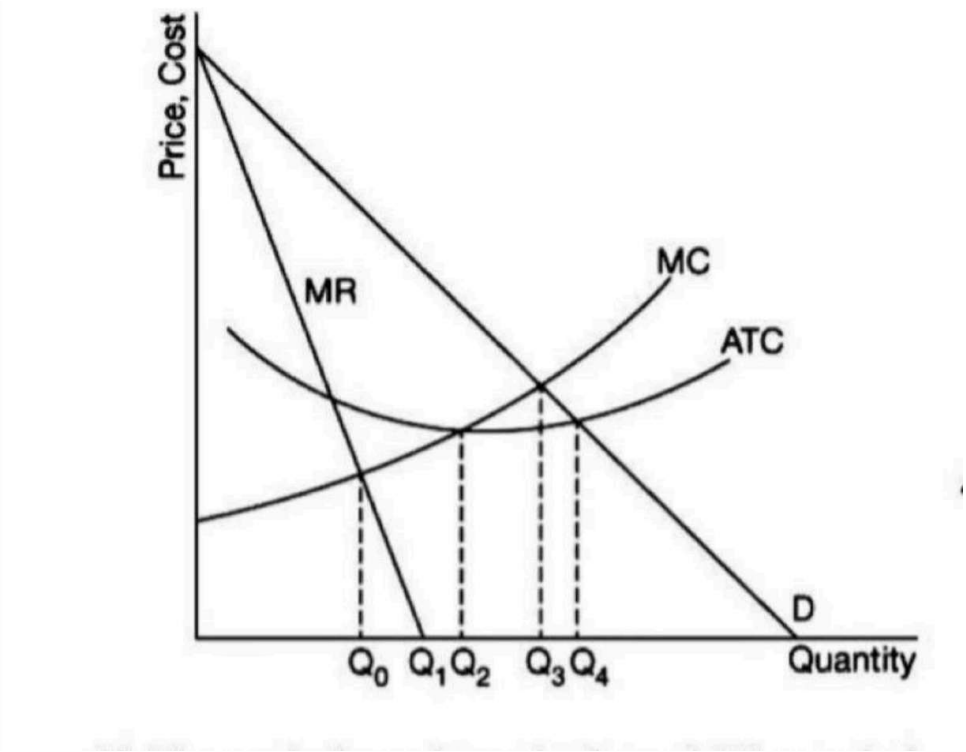
Unit 4.3 Price Discrimination

AP Microeconomics Homework

Multiple-Choice Questions

1. 2021 AP Micro MCQ Q42



The graph above shows the demand (D), marginal revenue (MR), marginal cost (MC), and average total cost (ATC) curves for a monopoly. Based on the information in the graph provided, what is the profit-maximizing quantity for a monopolist that engages in perfect price discrimination?

(A) Q_0

(B) Q_1

(C) Q_2

(D) Q_3

(E) Q_4

2. 2021 AP Micro MCQ Q43

A profit-maximizing monopolist faces the market demand schedule provided and has a constant marginal cost of $5. If the monopolist engages in perfect price discrimination, its total revenue will equal which of the following?

Price ($)	Quantity demanded
1	9
2	8
3	7
4	6
5	5
6	4
7	3
8	2
9	1

(A) $10

(B) $15

(C) $25

(D) $35

(E) $45

3. 2022 AP Micro MCQ Q3

Which of the following is true for a price-discriminating firm?

(A) The firm charges different prices to different consumers for the same product.

(B) The firm charges different prices for different products.

(C) The firm pays more per unit of labor than it pays per unit of capital.

(D) The firm pays more per unit of capital than it pays per unit of labor.

(E) The firm sells different quantities to its consumers but charges each of them the same price.

4. 2022 AP Micro MCQ Q44

If a monopolist can increase output and profit by engaging in perfect price discrimination, allocative efficiency will

(A) improve even though consumer surplus goes to zero

(B) possibly improve or get worse depending on whether consumer surplus increases or decreases

(C) possibly improve or get worse depending on whether consumer surplus increases by more or less than the increase in producer surplus

(D) get worse because producer surplus increases by more than the increase in consumer surplus

(E) be unchanged because although producer surplus increases, total surplus is unaffected

5. 2023 AP Micro MCQ Q40

A firm with market power sells its product in two markets. The firm faces the same cost curves in both markets but faces a relatively elastic demand in one market for its product and a relatively inelastic demand in the other market for that same product. Which of the following will increase the firm's profits?

(A) The firm charges a lower price in both markets.

(B) The firm charges a higher price in both markets.

(C) The firm charges a price equal to its marginal cost in both markets.

(D) The firm charges a lower price in the market with elastic demand and a higher price in the market with inelastic demand.

(E) The firm charges a lower price in the market with inelastic demand and a higher price in the market with elastic demand.

6. 2024 AP Micro MCQ Q13

Which of the following will happen if a profit-maximizing firm begins to engage in perfect price discrimination?

(A) Total units sold will decrease.

(B) All consumers will be better off.

(C) Deadweight loss will increase.

(D) The firm's economic profit will increase.

(E) The firm's marginal cost will decrease.

7. 2025 AP Micro MCQ Q12

A firm is selling its product in two separate markets. If the firm practices price discrimination, it is most likely to charge a higher price in the market that

(A) has lower marginal cost

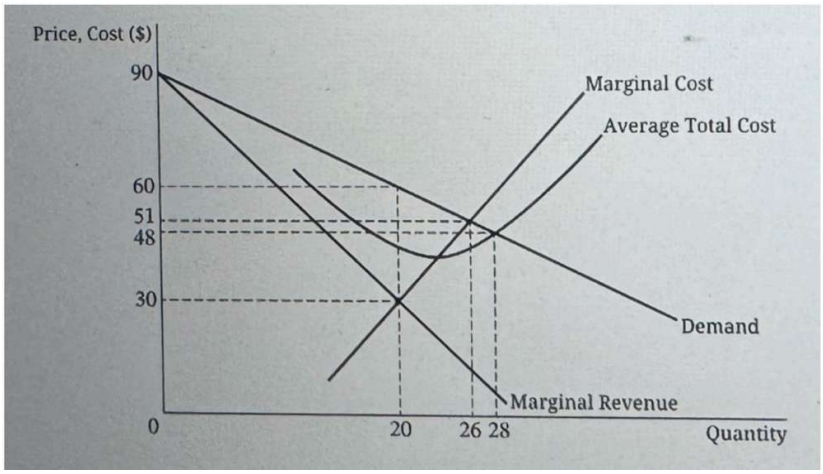
(B) has no barriers to entry

(C) contains a binding price ceiling

(D) has fewer substitutes available

(E) allows resale of the product

8. 2025 AP Micro MCQ Q46



The firm operates in an imperfectly competitive market and produces the profit-maximizing quantity of output. If the firm could engage in perfect price discrimination, what would be the resulting consumer surplus and the change in deadweight loss?

(A) Consumer surplus would equal $0, and deadweight loss would decrease by $90.

(B) Consumer surplus would equal $0, and deadweight loss would increase by $90.

(C) Consumer surplus would equal $507, and deadweight loss would decrease by $90.

(D) Consumer surplus would equal $300, and deadweight loss would increase by $180.

(E) Consumer surplus would equal $630, and deadweight loss would decrease by $180.