

GRADO EN TURISMO

Introducción a la Economía

Questions and Exercises

Unit 5

1. Why in Perfect Competition does marginal revenue coincide with price and in Monopoly it does not?
2. In a city there are several ice cream shops in which the price of ice cream is € 2, the marginal cost is € 2 and the average cost is € 1.5. Do you think these companies are making short-term profits? What will happen in the long term?
3. Which of the following is an example of price discrimination?
 - a. The price difference between the train ticket and the bus ticket for the route Cartagena - Madrid
 - b. The price difference between bunk wagon and comfortable bed wagon on a night train
 - c. The most expensive express fee to access the museum without queuing
 - d. All are correct
4. indicate similarities and differences in terms of:
 - a. Number of firms
 - b. Company's power to set the price
 - c. Product differentiation
 - d. Barriers to entryFor each of the following types of market: perfect competition, monopoly, oligopoly, monopolistic competition.
5. Why is advertising important in monopolistic competition markets? Give examples of this type of market.