Game 4: Monopoly Market: Patented Fun!

Introduction

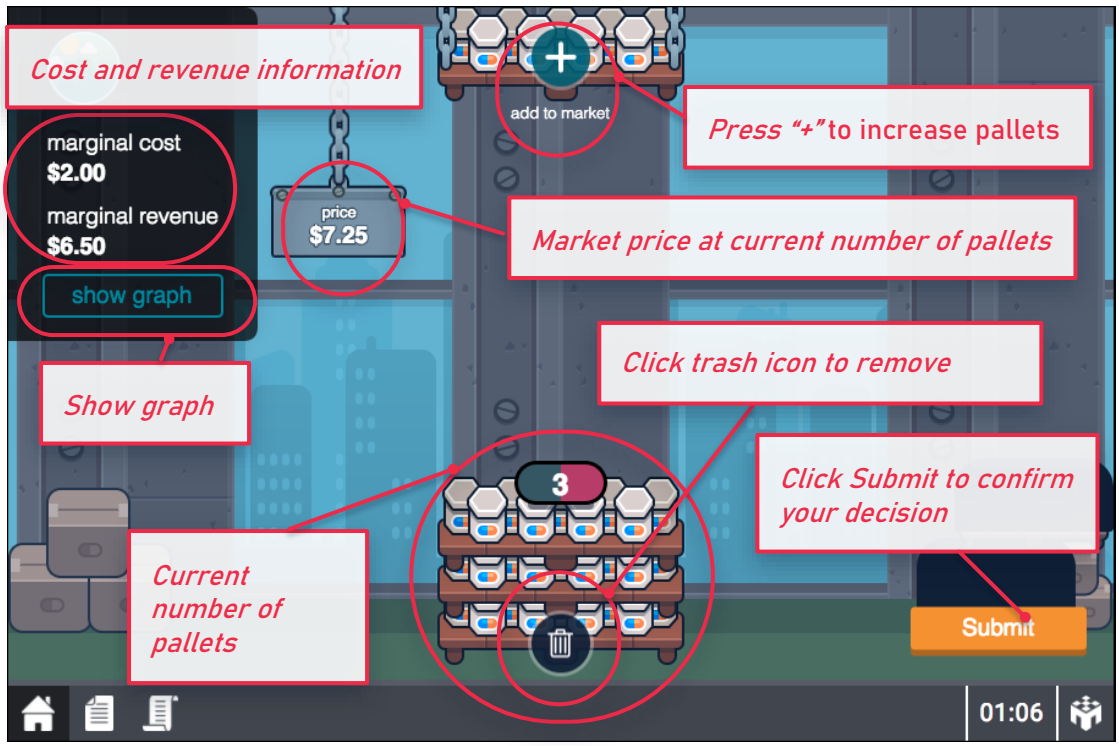
In this game, you will play as a pharmaceutical company that **owns a patent for a drug**. That means you're the **only seller** in the market—a **monopoly**!

This game consists of **6 rounds**. Your goal is to **maximize your profit** by deciding how many pallets of your drugs to ship each round. Of course, the more you ship, the lower the market price. You will have accurate information about the market demand and marginal revenue, and your production cost per pallet stays the same throughout the game.

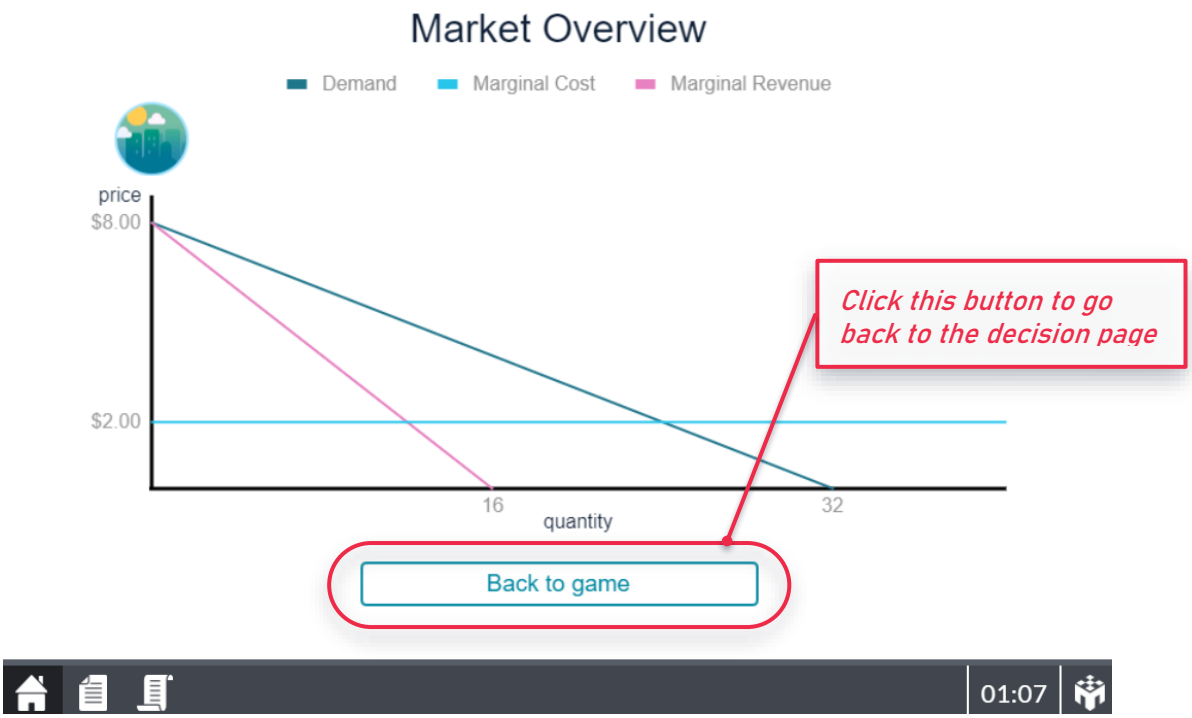
Your earnings will be converted into participation marks (**max. 10**). All participants receive 1 mark for joining.

Instruction (Round 1 & 2)

- Each round, the monopolist uses the "+" button to sequentially add pallets to the shipment of pharmaceuticals.
    - Clicking the trash icon at the bottom of the stack of pallets will subtract one pallet from the shipment.
    - To finalize the shipment press "Submit"



- When the monopolist adds or subtracts a pallet from the shipment, price and marginal revenue will adjust on screen.
- To see a graphical depiction of the monopolist problem, click the "Show Graph" button to see the demand, marginal revenue, and marginal cost curves.



Each round will end in **90 seconds**. After a brief pause of 10 seconds, the next period will begin.

Instruction (Round 3 & 4)

In round 3 & 4, you are selling your drugs to two group of consumers with different demand (Blue market and Orange Market, based on the color of the icons). However, the market is **mixed**. You have to choose **how many pallets of pharmaceuticals to ship to this mixed market**. Of course, the market price is lower if you ships more pallets. Note that you are choosing a single output level and hence there is a **single price** in the market. Your cost will be the same as last round and the information will be provided in the game.



Instruction (Round 5 & 6)

In round 5 & 6, you are selling your drugs to two group of consumers with different demand (Blue market and Orange Market, based on the color of the icons). However, the market can be **separated**. You have to choose **how many pallets of pharmaceuticals to ship to each market**. Of course, the market price is lower if you ships more pallets. Note that you are choosing **TWO output levels** and hence there might be **TWO prices** in the market. Your cost will be the same as last round and the information will be provided in the game.

