

Microeconomics

1. (20%) A monopolistic theater usually offers price discounts to students because its manager believes that students are more price sensitive than the general public film viewers. Currently there is a new film coming up to the theater, which the manager believes will be very popular. In fact, the manager believes that the film will be so popular that all the seats will still be filled even if the theater charges a price higher than the current level, and offers no discounts. The manager is therefore planning to eliminate the discounts offered to students, and at the same time to select a profit-maximizing uniform price for *all* film viewers. Do you or do you not agree that the manager's pricing decision is profit maximizing?

Detail your reasoning.

2. (30%) Consider a monopolistic manufacturer facing the following market demand function:

$$q = D(p, s) = 1 - p + s,$$

where q is the demand quantity when the retail price is p and service level is s . The total cost of service a retailer incurs is $\phi(s) = sq$, when service level is s , and demand quantity is q . To produce one unit of the product, the manufacturer incurs a constant marginal cost c . The manufacturer can retail the product by himself or ask some independent retailer (or retailers) to sell the product for him.

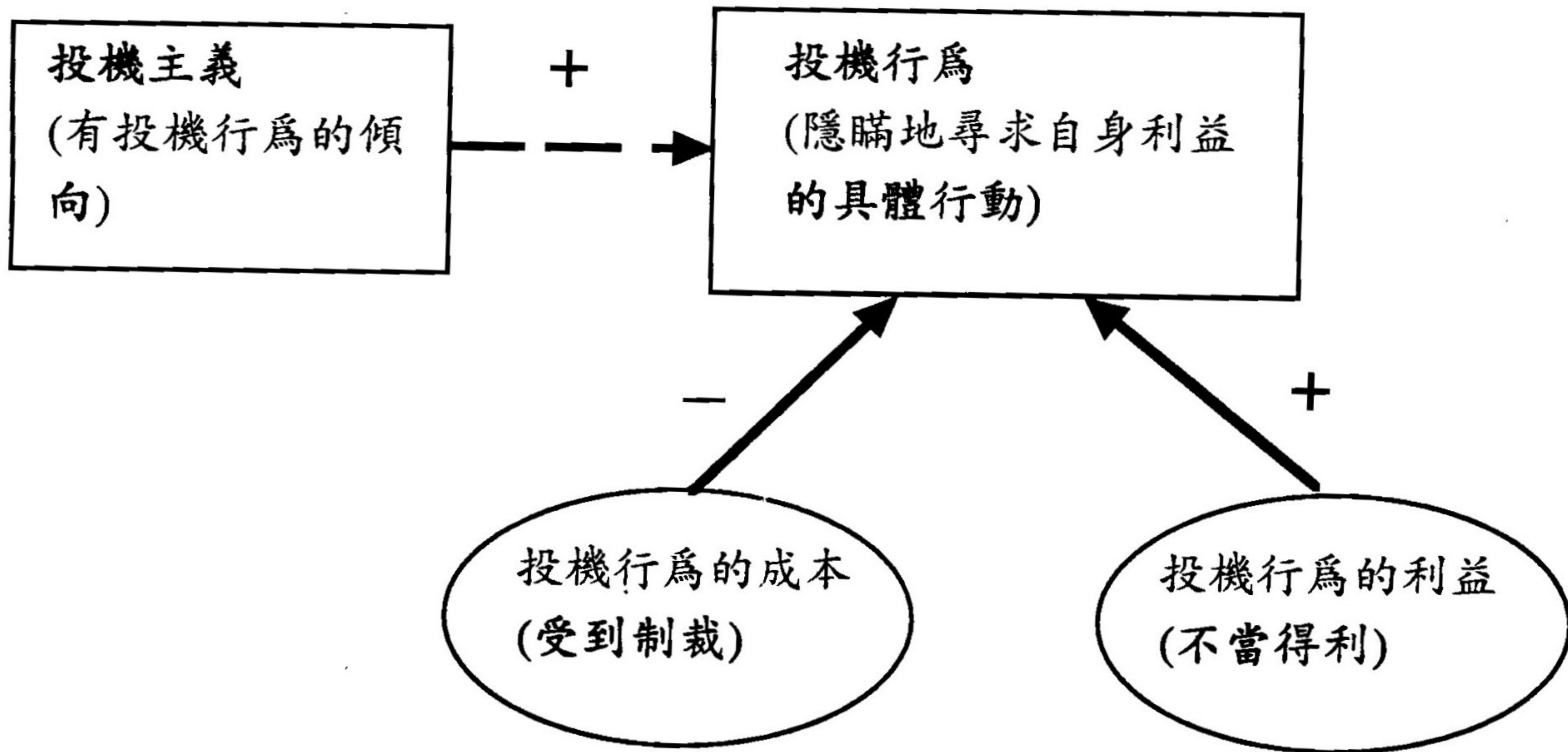
(i) Suppose that the manufacturer decides to retail his product by himself. Derive the optimal retail price p^* , service level s^* and resulting profits π^* for the manufacturer, assuming that he has the same cost function as other retailers in offering services.

(ii) Suppose instead that the manufacturer decides to ask some *monopolistic* retailer to sell his product to consumers. In this case, assume the following timing. The manufacturer first chooses a wholesale price w . Then, the monopolistic retailer takes w as given, and chooses a retail price p and service level s to maximize his own profit. Derive the retailer's equilibrium retail price p^{**} , service level s^{**} and resulting

profits π^{**} . Compare $(p^{**}, s^{**}, \pi^{**})$ to (p^*, s^*, π^*) obtained in part (i). Explain!

(iii) Suppose now that the manufacturer decides to ask *many* competitive retailers to sell his product for him. Suppose furthermore that the retail services are mainly about providing presale information. In this case, the *free-rider problem* (retailers who do not provide services may benefit from the increase in market demand resulting from other retailers' providing services) may cause inefficiency in the provision of retail services. Determine the equilibrium retail price level p^{***} and service level s^{***} . Explain.

3. 下圖為Williamson所提的交易成本經濟學中有關投機行為的模型. (+)和(-)所表示的是各建構(construct)間的命題(proposition).



根據上述圖文回答下列問題：

- (1) 討論經濟學中的理性(rationality)假設與有限理性(bounded rationality)假設在上述模型中所扮演的角色. (4分)
- (2) 經過操作型化(operationalized)的建構(例:投機主義)稱為變數. 據此,投機主義在此模型中是否為內生變數(endogenous variable)? 為什麼? 是否為權變變數(contingency variable)? 為什麼? (8分)
- (3) 解釋投機行為與投機行為的成本間的命題何以為負向關係,而投機行為與投機行為的利益間的命題何以為正向關係. (8分)
- (4) 在個體經濟學與策略管理學領域有許多以交易成本為理論基礎的實證研究文獻. 試討論有關垂直整合(vertical integration). 多角化(diversification). 技術移轉(technology transfer). 和合資(joint venture)的實證結果. (12分)
- (5) 嘗試引用"Missing markets"理論(例: Milgrom & Roberts, 1992)與動態賽局理論(例: the repeated prisoner's dilemma game) 對上述投機行為模型提出批評. (10分)
- (6) 提出對上述模型的改進建議. (8分)