

29. Correct. The answer is true. A perfectly price discriminating monopolist means they can charge each consumer the maximum amount they are willing to pay.

In such a case, the maximum amount charged for the first unit of gas sold would be P_1 . The maximum amount charged for the second unit of gas would P_2 . However, if a monopolist is able to price discriminate, she would not have to lower the price of unit 1 when she sells unit 2. Thus, if a monopolist is able to perfectly price discriminate, the demand curve and the marginal revenue curve are identical. The perfectly discriminating monopolist would produce where marginal revenue or demand equals marginal cost. This would also be the competitive output, so there is no deadweight loss. However, the perfectly price discriminating monopolist gets the entire consumer surplus in this case.

