**PREP HOMEWORK MICROECONOMICS: PRICE DISCRIMINATION and PURE MONOPOLY**

Use this side of A4, to create notes on ‘price discrimination’ using the internet (Tutor2u website and Economics Help website) and your textbook – pp 83-87

1. Define price discrimination in one sentence.
2. What are the three types of price discrimination? Provide an explanation for each one.
3. What are the conditions needed for price discrimination?
4. What are the advantages and disadvantages of price discrimination? Perhaps use examples to illustrate your answer? One of your disadvantages should be about loss of consumer surplus; can you draw a diagram to demonstrate this?

**PLEASE TURN OVER FOR A PROBLEM SOLVING EXERCISE**

**TASK2: Try and complete the questions below (have a go and do not worry if you get them wrong)**

|  |  |
| --- | --- |
| Q1. Lets say a new nightclub opens in Godalming (the only nightclub!). Using diagrams, explain how a nightclub might be able to price discriminate between men and women? HINT: Think about the elasticity of men’s demand for nightclubs versus womens? |  |