

THE POWER'S MECHANISM OF A MONOPOLY IN A MARKET ECONOMY

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Abstract:

Monopolies make their presence felt in a market economy, not necessarily through 100% ownership control of a market, nor less, because there is a law that sanction its existence; in most cases, the existence of a monopoly and hence its corollary, i.e. monopoly power, has as the primary cause the presence of market imperfections, that is if those are present on the long term, become state of fact. Thus, in our approach, we consider that to be appropriate to release the mechanism of a monopoly, based on a mathematical tool, which begins from the immutable economic concepts of monopoly.

Keywords: monopoly, monopolist, elasticity, demand

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