

Quasar computers and different market structures

[Technology](#), [Computer](#)



A patent for this new technology allowed Quasar to experience growth in revenues by setting the price as the only provider of an all-optical computer. Quasar established that marginal cost and marginal revenue were equal when selling each Neutron computer at \$2,550 with quantities sold was at 5,000 units. This helped Quasar determine the need for maximizing future profits to stay competitive with cost reductions in production. Oligopoly In 2006, Quasar was in an oligopolies market because they were already competing with Errol Technologies, a company that recently introduced their own optical notebook computers. During this time of competition, Quasar and Orion mutually stabilized the price for notebooks and both were generating profits.

As Orion Technology introduced their optical computer to market which resulted in a 50% consumption, Quasar decided that the price of the computer would drop to \$1,850, creating a profit of \$207 and revenues equally \$119.5 million. Although Orion did make a dent in the optical computer industry they were not able to capitalize on the market. Despite the fact that they were holding the other 50%, they lost profits even though the revenues were equivalent to Quasars. Monopolistic Competition In 2010, Quasar was facing more challenges because of the variety of computer models introduced by other new companies.

They were in a monopolistic intention, and Quasar thought of another strategy to keep differentiated from their competitors. They allocated a budget of \$200 million to invest in brand development. Because of that Ceres was born, another variation of the optical notebook. Ceres was specifically designed for a new end user, thus distinguishing itself from the

Neutron. In a monopolistic competition, brand development is vital for maximizing profit higher price for their superior quality products (Fischer, Violence, & Settler, 2010). Pure Competition The final market was the perfect competition.

Quasar is well established in the market in 2012. Quasar has obtained controlling interests in Optic for optical display screens (ODDS) technology. The competitive edge with Optic will increase revenues but will require continued innovation to avoid the profit loss. Using a similar strategy that Quasar used in 2005, profits can be maximized by lowering the costs of production. Because Optic operates in a pure competition market, revenue will increase but eventually the competitors will copy Optician's example limiting the economic edge to a short period.

Conclusion In each market structure, Quasar made choices that were unique in the structures to maximize profits for each market. The choices made in a monopoly are different from the decisions that needed to be made in other structures. The simulation allowed the opportunity to see how market structure decisions impacted the overall profitability of Quasar over a span of several years. Our findings produced the best results for Quasar under each organizational change occurring over a span of a few ears.