# Contents

**Acknowledgements**

**List of Diagrams**

**Chapter One: Introduction**

1.1. Monopolistic Quality Discrimination: The Standard Model

   1.1.1. The Monopolist has full information and can discriminate on the basis of both price and quality
   1.1.2. The Monopolist has full information but can discriminate on the basis of only quality
   1.1.3. The monopolist does not have full information – Types of the consumers are not known to him

1.2. Extensions and Applications

1.3. Quality Signalling, Brand Stretching and Reputation Bonding

1.4. Research Questions

**Chapter Two: Monopolistic Choice of Product Specifications when Lower End Product Specifications Provide Imperfect Signals of the Performance of the High End Product**

2.1. Introduction

2.2. The Model

   2.2.1. The Social Planner’s Solution
   2.2.2. Quality Choice under Asymmetric Information: The Monopolist’s Solution

2.3. Conclusion

Appendix
Chapter Three: Monopolistic Choice of Product Specifications when Higher End Product Specifications Provide Imperfect Signals of the Performance of the Low End Product

3.1. Introduction 49
3.2. The Model 51
  3.2.1. The Social Planner’s Solution 56
  3.2.2. Quality Choice under Asymmetric Information: The Monopolist’s Solution 60
3.3. Conclusion 66

Chapter Four: Effects of Increased Competition on the Choice of Quality in an Oligopolistic Framework

4.1. Introduction 67
4.2. The Model 68
  4.2.1. Price is a strictly convex function 76
  4.2.2. Price is a strictly concave function 83
4.3. Conclusion 90

Chapter Five: Conclusion 92

Bibliography 95