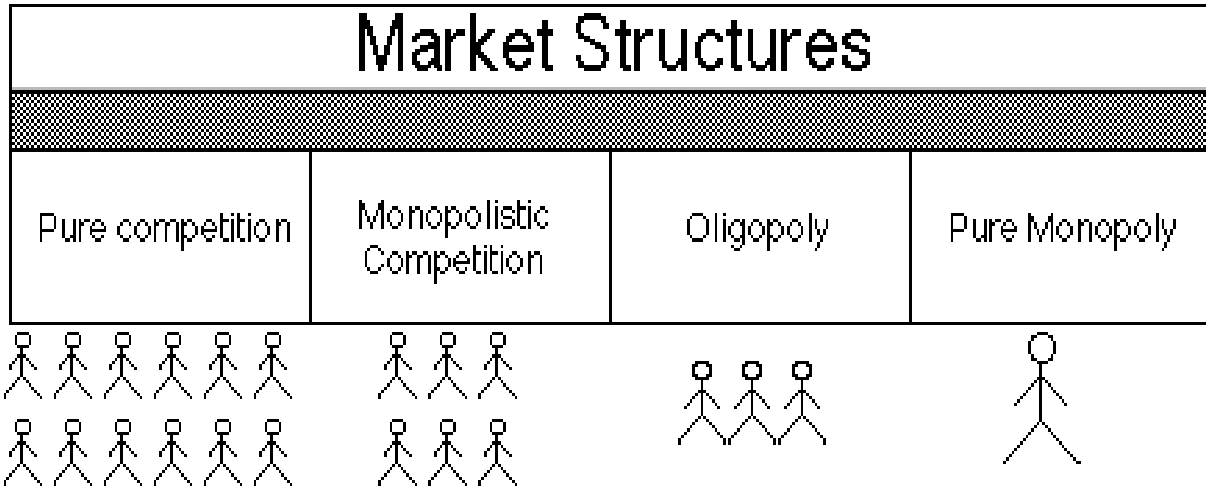


MARKET STRUCTURES

Market Structure: represents the nature and degree of _____ operating in the same industry.

An industry represents _____ like airlines or cars.

We will examine 4 types of market structures by looking at their characteristics.



Perfect Competition

- _____ of buyers and sellers, 100's to 1000's.
- Each firm has _____ over price.
- Buyers and sellers deal in an _____.
- Buyers and sellers are _____ the market when they choose.
- _____.

Monopolistic Competition

- _____ number of buyers and sellers, 20 to 70 firms.
- Have a _____ over price.
- Buyers and sellers deal in a _____.
- Buyers and sellers are _____ the market.
- There is _____ by firms.

Examples include gas stations and drycleaners.

Product Differentiation: the _____ between competing products in the same industry. Examples of differentiation include;

- | | |
|---------------------|-------------|
| ✓ _____ | ✓ Packaging |
| ✓ Store design | ✓ _____ |
| ✓ Manner of payment | ✓ _____ |
| ✓ _____ | |

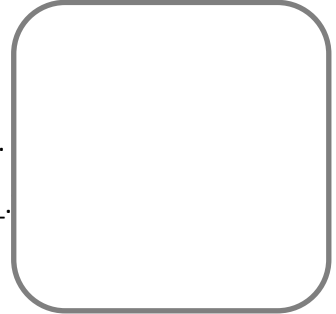
UNIT 3 - MICROECONOMICS

NAME _____

Non-price competition: the use of _____ to convince buyers that their product is better than another brand.

Barriers to Entry: the existence of _____ or other _____ from easily entering an industry or area of business.

- **Oligopoly** _____, 3 to 12. _____ over price with collusion.
- The product can be _____ or _____.
- It is _____ by these firms.



Examples include airlines, automobiles and steel.

Interdependent Behavior: whenever one firm acts, it must consider how the other firms will respond.

Raise price – _____

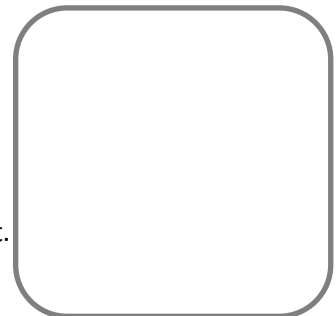
Lower price – _____

Collusion: a formal agreement to _____ to increase profits. A good example is OPEC. Collusion is illegal in the United States

Price-fixing: agreeing to charge the _____ for a product.

Monopoly

- A _____, 1.
- _____ over price.
- The product is _____ with no close substitutes.
- It is _____ this market.
- _____ unless it is for public relations reasons.



The best examples are the _____ or _____.