1- Why is demond curve horizontal for a firm in a perfectly competitive market?

- The ~~dem~~ demand curve for an individual firm in a perfectly competitive market is perfectly elastic (horizontal) because the firm is a price taker

2- How can price discrimination be fair?

- Price discrimination is considered fair when it increases overall access to a product by allowing low-income groups to afford it, or when the price difference is justified by a seller's cost saving

3- What is the difference between perfect competition and imperfect competition?

- Perfect competition involves many firms selling indetical products ~~whi~~ with no market Power. Imperfect competition involves fewer firms or differentiated products, giving them some market power

4- What are the primary sowrces of product differentiation

- Product differentitation involves making a good distinct through unique features/quality (Product - based), offering superior service/distribution (Service - based), or creating a powerful brand image (perceptual - based)

5- What are the gains from collusion?

- Collusion is an agreement, often secret between competing firms to limit competition. It is typical in an oligopoly market structure.

6- What are barriers to entry?

- Barriers to entry are the obstacles that make it difficult for ~~a~~ new firm to enter an industry allowing existing firms to protect their profits and market power.

7- How can firms try to deter entry?

- Firms deter entry by using strategies like limit pricing (making the market look unprofitable) investing in excess capacity (to threaten a price war), and aggressively building brand loyalty to raise the costs for new competitors.