Эль Таии Закария 2-53

Topic 13

1) Horizontal demand curve: A firm in a perfectly competitive market is price taker, so it can sell any quantity at the market price, the demand it faces is perfectly elastic

2) Price discrimination fairness: it can be fair if it increases access for consumers who couldn't afford the product otherwise.

3) Perfect vs imperfect competition: Perfect competition has many firms, identical products and no control over price; imperfect competition has fewer firms, differentiated products and some price setting power.

4) Sources of product differentiation: Quality, features, brand image, customer service, location, and packaging.

5) Gains from collusion: firms can increase profits by reducing competition, stabilizing prices and controlling output.

6) Barriers to entry: Factors that prevent new firms from entering a market. (exp high starting cost, patents, brand loyalty, or government regulations.

7) Deterring entry: Firms can limit new competition through strategies like predatory pricing, advertising product differentiation or securing patents.