[illegible] group :- 247

A pure monopoly exists when there is a single seller of a product or service for which there are No close substitutes. the monopolist controls the market price by restricting output and preventing entry into the industry. Barriers to netry indlude government franchises and licenses, patents and copyright control of an important resource, and economies of scale made possible by large size. Some mompolies that exist because of economies of scale are regulated by goverment so that economies associated with large-scale production can be passed on the consumers in the form of lower prices than when industry were made up of many small firms operating inefficiently small plants, these monopolies are called Natural monopolies.

The mongpolist faces the market demand curve because it's the only seller in the market. As compared to perfect competition, the monopolist charges a higher price by restricting out below the level that would prevail in competitive market. Because of presence of barriers to entry the monoplist can earn profits are competed away in the long run due to enty int competitive industry.

Price discrimination is feasible if the firm can control the price the good produced is not resalable, and customers can be differentiated according to their willingness and ability to pay

Monopolistic competition is characterized by a large number of firms with small market shares, the production of goods that are not perfet substitutes lack of concern regrading rivals' reactions to price and production policy, relative fredom of entry and exit, and No opportunity or incentive to collude to limit competition.

. Price may be higher as a result of the product promotion and differentiation.

Obligopoly is a market structure with a few dominant firms having large market shares and producing either standardized or differentiated goods.

Difinitions

1- Market power the ability of firm to influence the price it's produt by making more or less of it availble to buyers.

2- Barrier to entry a constraint that prevents additional sellers entering a monopoly firm's market.

3- Natural monopoly a firm that emerges as a single seller in the market beause of cost or technological advantages contributing to low average costs of production

4- Price discrimination the practice of selling a certain product of given quality and cost per unit at diffent prices to different byers

5- pure Monopoly occurs when there is a singl seller of a produt that hs no close substitutes.

6- Imperfect competition. exists when more the on seller competes for sales with other selleres of competitive products, each of whom has some control over price.

7- Monopolistic competition exists when many sellers compete to sell a differentiate product in a market in which entry of new sellers is possible

8- Price leadership one dominant firm in an industry that sets its price to maximize its own profits, after which other firm follow it's lead by setting exactly the same price