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Answers to questions:

1. Because the firm has to accept the market price — it's too small to set its own.
2. It can help people who can't afford full price get things like medicine, food, or education.
3. Perfect competition: everyone sells the same thing, no one controls price. Imperfect competition: some firms have power to set price, products are unique.
4. Different quality, brand, location, service, or advertising.
5. Higher prices, bigger profits for firms, less price competition.
6. Things that make it hard for new companies to join the market — like big startup costs, patents, or strong brands.
7. Keep prices low, make brands strong, control resources, or lobby for tough rules.