Аль-Зубри Азам 247

*Answers to questions:-

1- Because the firm has to accept the market price it's too small to set its own.

→ The firm is one of many small sellers

- Its individual output has no effect on market price
- Therefore, it must accept the prevailing market price.

2- It can help people who can't afford full price get things like medicine, food or education.

- lower prices allow people who can't afford the full price to access essential goods education.
- This can improve equity and overall welfare, especially for low-income consumers

3 → perfect competition: everyone sells the same thing, no one controls price. Imperfect

- firms sell identical (homogeneous)
- There are many buyers and sellers
- No firm controls the price (firms are pric takers)

* Imperfect comptition:..

- firms sell differentiated products (not exactly the same)
- Some firms have market powe
- firms can influence or set prices to so extent

4- Different quality, brand location service, or adver

→ products are differentiated by quality brand, location, service, or advertising.

5→ Higher prices bigger profits for firms, less price competition.

→ Imperfect competition leads to higher prices, higher profits for firms and lesss price competition.

6- Things that make it hard for new companies to join the market - like big startup costs patents, or strong brands.

→ Barriers to entry are facetors that make it difficult for new firms to enter a market such as high start-up costs, patents, or strong brand loyalty

7- Keep prices low make brands strong, control resources, or lobby for tough rules.

→ firms may keep prices low, build strong brands control key resources, or lobby for strict regulations to prevent new competitors from enterin