домашн упраж 226

1 no clase substitutes
2 control of an important resource
3 natural monopolies
4 the monopolist faces the market demand curve
5 higher
6 restricting output below
7 can earn economic profits in the long run
8 is not realable
9 a large number of firms
10 are not perfect substitutes
11 lack of concern regarding rivals reactions
12 no opportunity or incentive to collude
13 may be higher
14 oligopoly
15 a few dominant firms

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Definition

1. market power the ability of firm to influence the price of its product by altering output

2. Barrier to entry - a constraint that prevents additional sellers from entering a monopoly market

3. natural monopoly a firm that becomes the single seller because of cost or technological advantages that lead to low average costs.

4. pure monopoly - occurs when there is a single seller of product with no close substitutes.

5. Price discrimination - selling a product of the same quality at different prices to different buyers.

6. oligopoly - exists when few sellers compete each with some control over price.

7. monopolistic competition - exists when many sellers offer differentiated products in markets with easy entry

8. price leader - one dominant firm that sets price to maximize its profit while other firms follow.