* Market Structures
* Competition & Market Structures

Laissez-faire – gov’t should not interfere w/ commerce or trade

Market structure – degree of competition among firms in the same industry.

Perfect Competition –

Necessary Conditions

Perfect Competition

Profit Maximization

Theoretical Situation

* More
* Monopolistic Competition
* Product differentiation –
* Nonprice Competition –
* Monopolistic Competition –
* Profit Maximization -
* Monopoly -
* Types – natural, economies of scale, geographic, technological & government
* Profit Maximization -
* Market Failures
* Inadequate Competition – inefficient resource allocation, higher prices & reduced output, economic and political power & both sides of the market
* Inadequate Information –
* Resource Immobility –
* Externalities – Negative & Positive
* Public goods – products that are collectively consumed by everyone, use by one person does not hurt the value or satisfaction.
* Role of Government
* Antitrust Legislation
  + Price discrimination
  + Cease and desist order
* Government Regulation
  + Cable, water etc. = ok
  + Internalizing Externalities
* Public Disclosure –
* Indirect Disclosure –
* Modified Free Enterprise -