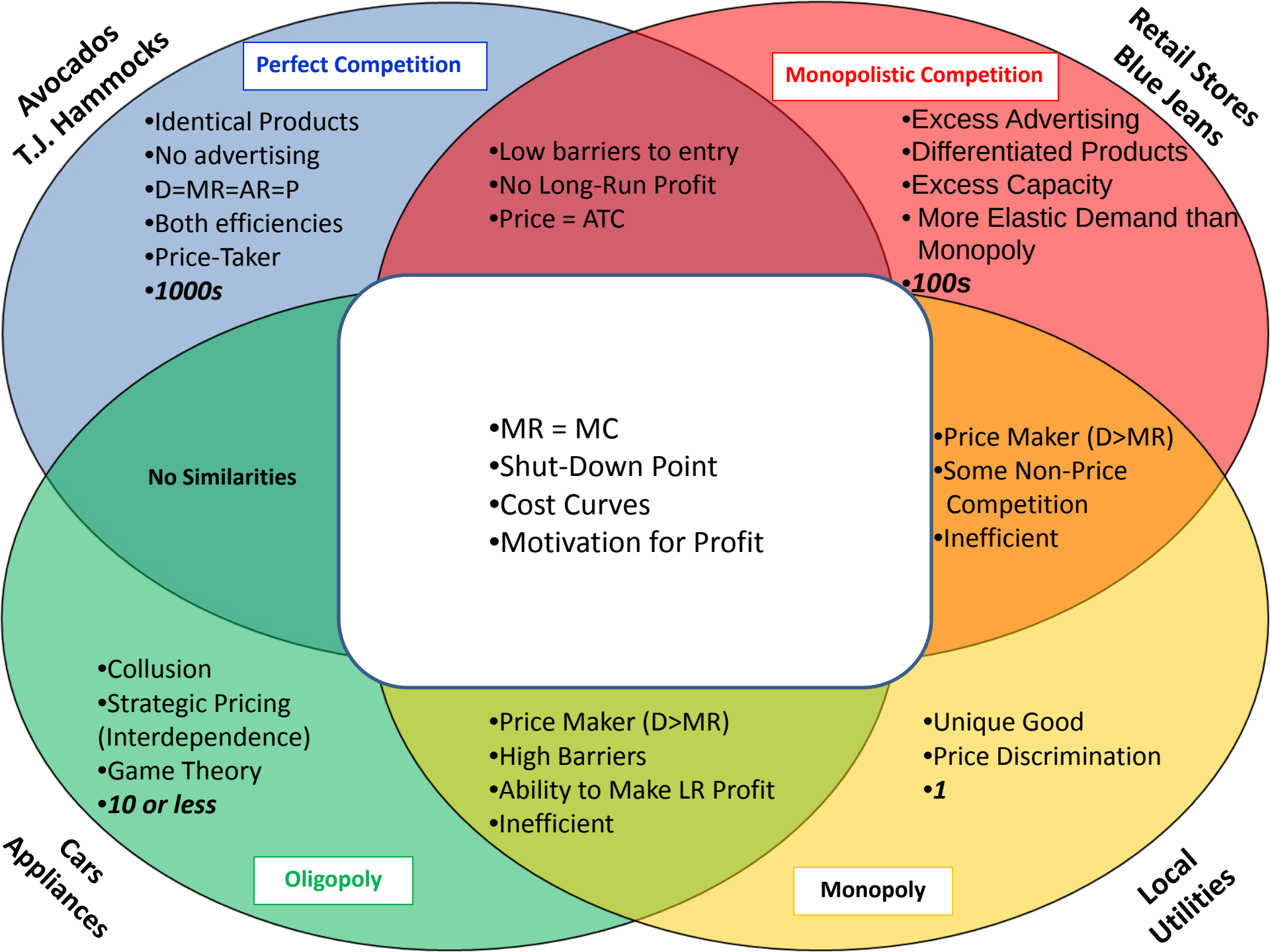
Avocados
T.J. Hammocks
Perfect Competition
•Identical Products
•No advertising
•D=MR=AR=P
•Both efficiencies
•Price-Taker
•1000s
Monopolistic Competition
Retail Stores
Blue Jeans
•Excess Advertising
•Differentiated Products
•Excess Capacity
• More Elastic Demand than Monopoly
•100s
•Low barriers to entry
•No Long-Run Profit
•Price = ATC
No Similarities
•MR = MC
•Shut-Down Point
•Cost Curves
•Motivation for Profit
•Price Maker (D>MR)
•Some Non-Price Competition
•Inefficient
•Collusion
•Strategic Pricing (Interdependence)
•Game Theory
•10 or less
Cars
Appliances
Oligopoly
•Price Maker (D>MR)
•High Barriers
•Ability to Make LR Profit
•Inefficient
Monopoly
•Unique Good
•Price Discrimination
•1
Local
Utilities