

## Market Structures

### Characteristics

Market Structure	# of Firms	Differentiated or Homogeneous Product	Ease of Entry
Perfect Competition	Very Many	H	Very Easy
Monopolistic Competition	Many	D	Relatively Easy
Oligopoly	Few	H/D	Not Easy
Monopoly	One	Only One Product of Its Kind (no close substitute)	Impossible

### Results

Market Structure	Price-Setting Power	Nonprice Competition	Allocative and Productive Efficiency	Long-Run Profits	Examples
Perfect Competition	Nil Price Taker	None	Highly Efficient	0	Doesn't Exist; agriculture close
Monopolistic Competition	Somewhat	Considerable	Less efficient than PC	0	Fast Food; retail stores, cosmetics
Oligopoly	Limited	Considerable for a differentiated oligopoly	Less efficient than PC	Positive	Cars, steel, soft drinks, cereal, computers
Monopoly	Absolute (Price-maker)	Somewhat	Inefficient	High	Small-town newspaper, rural gas station