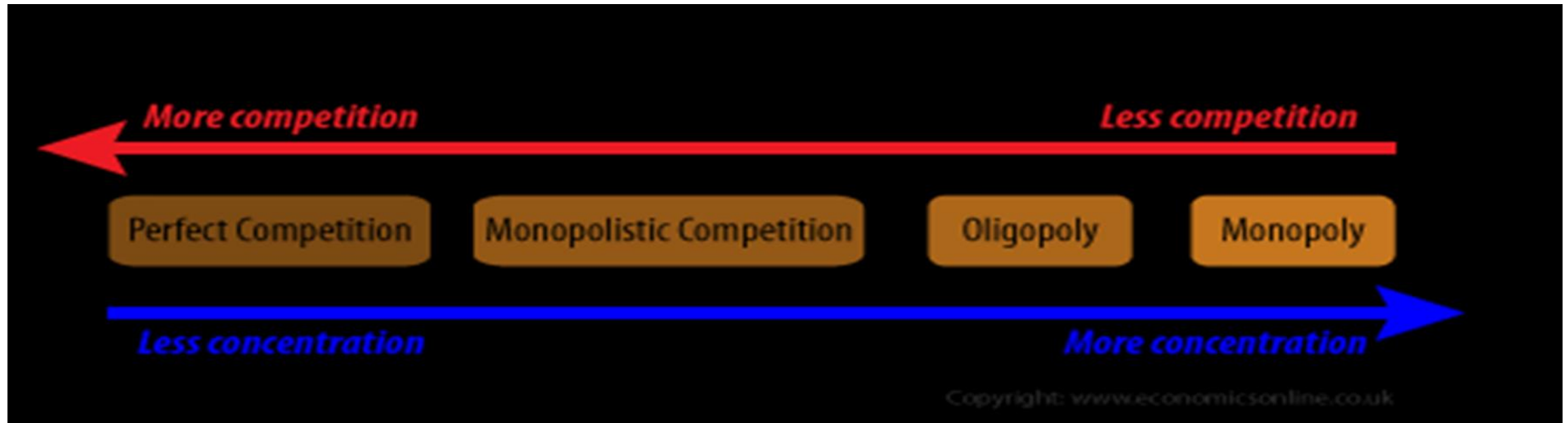


- What are the characteristics of monopolistic competition and oligopoly's

# 3 types of imperfect competition

- Monopoly
- Oligopoly
- Monopolistic competition



# Monopolistic competition

- Market structure in which a large number of sellers offer similar but slightly different products and in which each has some control over price.

# Five conditions

1. Numerous sellers- no single sellers or small groups
2. Relatively easy entry- Entry into the market is easier than other types
3. Differentiated products- each supplier sells slightly different product to attract customers
4. Non price competition- businesses compete by using product differentiation and by advertising
5. Some control over price- building a loyal customer base through product differentiation each firm has some control over the price it charges.

# Oligopoly

- Industry is dominated by a few suppliers who exercise some control over price

# Characteristics

- Domination by a few sellers- several large firms responsible for the majority of the market
- Barriers to entry- Capital costs are high therefore hard for new companies to enter.
- Identical or slightly different products similar good or service
- Interdependence- any change on the part of one firm will cause a reaction by the other firms.

- Product differentiation- companies use minor differences in quality and features to try to differentiate between similar goods and services.

# Research

- Research 2 different examples of monopolistic competition. Write and explain the major corporations in the industry
  - For each example write 1 sentence how should this industry change? (more or less competition and why)
- Research 2 different examples of an oligopoly. Write and explain the major corporations in the industry
  - Write 1 sentence for each industry explaining if there should be more competition or not and why?