

WHAT IS A “MARKET STRUCTURE” ?

WHAT ARE THE 4 MAJOR CONSIDERATIONS IN CLASSIFYING MARKETS ?



EXAMPLES OF THE MARKET CLASSIFICATION PROCESS :



WHAT ARE THE 3 POTENTIAL BARRIERS TO ENTRY TO A MARKET ?



THINGS THAT CAN CAUSE A MARKET TO SHIFT STRUCTURE :

1. “CREATIVE DESTRUCTION” -



SHUMPETER

TYPES OF INNOVATIONS THAT DRIVE CREATIVE DESTRUCTION :

1.

2.

3.

“ DEMOGRAPHICS ” -

4.

2. **“ REGULATION ” -**

3. **“ DEREGULATION ” -**



WHAT IS “ PERFECT COMPETITION ” ?

WHAT ARE THE 4 CONDITIONS FOR PERFECT COMPETITION ?

1.

2. **“ COMMODITIES ” -**

3.

4.



WHAT ARE THE 3 CHARACTERISTICS OF “ PERFECTLY COMPETITIVE MARKETS ” ?

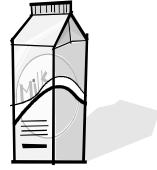
1.

2.

3.

PERFECTLY COMPETITIVE MARKET INDUSTRY EXAMPLES :

1.



2.

WHAT IS A “ MONOPOLY ” ?



WHAT ARE “ ECONOMIES OF SCALE ” ?

WHAT ARE THE 4 TYPES OF MONOPOLIES ?

1.

2.

3. “ PATENTS ” -



“ LICENSE ” -



4. “ NATURAL MONOPOLIES ” -



WHAT USUALLY ELIMINATES THE NEED FOR A NATURAL MONOPOLY ?

MAIL SERVICE WAS SET UP AS NATURAL MONOPOLY TO PROMOTE ECONOMIC GROWTH :

1.

2.



WHAT ARE SOME OF THE TECHNOLOGIES THAT KILLED THE NEED TO HAVE THE MAIL SYSTEM SET UP AS A NATURAL MONOPOLY ?

TELECOMMUNICATIONS WAS SET UP AS A NATURAL MONOPOLY TO :

- 1.
- 2.
- 3.

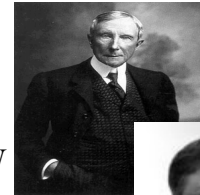


WHAT ARE THE 3 TECHNOLOGIES THAT KILLED THE NEED TO HAVE TELECOMMUNICATIONS SET UP AS A NATURAL MONOPOLY ?

- 1.
- 2.
- 3.

WHAT GET BUSINESSES IN TROUBLE WITH THE LAW AND GAVE MONOPOLIES A BAD REPUTATION ?

WHAT ARE TWO EXAMPLES OF MONOPOLIES THAT HAVE BEEN CONVICTED OF ANTI-COMPETITIVE BUSINESS PRACTICES ?



THE SUPREME COURT'S "RULE OF REASON" GUIDELINE ON ANTI-COMPETITIVE BUSINESS PRACTICES WAS PART OF WHAT ACTS PASSED BY CONGRESS ?

4 EXAMPLES OF ILLEGAL BUSINESS BEHAVIORS THAT HAVE BEEN OUTLAWED :

1. "DUMPING" -
2. "PREDATORY PRICING" -
3. "PRICE FIXING" -
4. "OVERHANGING A MARKET" -

WHAT ARE THE 3 CHARACTERISTICS OF A MONOPOLY IN ACTION ?

1. **“MARKET POWER” -**

2.

3. **“PRICE DISCRIMINATION” -**



WHAT ARE THE 3 REQUIREMENTS FOR PRICE DISCRIMINATION TO WORK ?

1.

2.

3.

WHAT IS “MONOPOLISTIC COMPETITION” ?



WHAT ARE 3 EXAMPLES OF INDUSTRIES THAT ARE MONOPOLISTICALLY COMPETITIVE ?

1.

2.

3.



WHAT ARE THE 4 CONDITIONS THAT ARE NEEDED FOR MONOPOLISTIC COMPETITION TO EXIST ?

1.

3.

2.

4.



WHAT ARE THE 5 CHARACTERISTICS OF MONOPOLISTICLY COMPETITIVE MARKETS ?

1.

1.

2.



3.

4.

2.

3.

4.

5.



The Ultimate Driving Machine



WHAT IS AN “OLIGOPOLY” ?

WHAT ARE THE 3 CHARACTERISTICS OF AN OLIGOPOLY ?

1.



2.



3.



WHAT ARE 4 EXAMPLES OF INDUSTRIES THAT ARE LEGAL OLIGOPOLIES ?

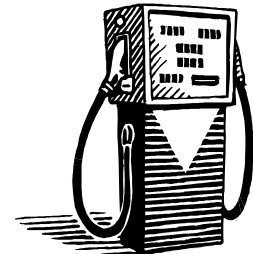
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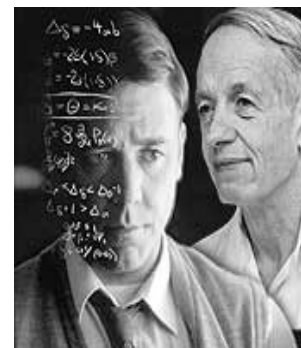
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THE “DOMINANT STRATEGY THEORY” NATURALLY CONTROLS AN OLIGOPOLIC MARKET :



HOW OLIGOPOLIES GET IN TROUBLE :

“TRUST” -



2. “CARTEL” -



WHAT IS THE MOST FAMOUS CARTEL ?

WHAT ARE THE 4 REQUIREMENTS FOR CARTELS TO BE SUCCESSFUL ?

1.

2.

3.

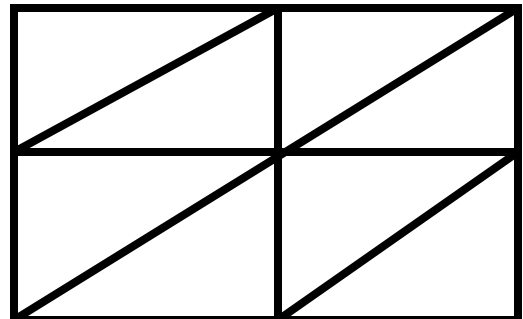
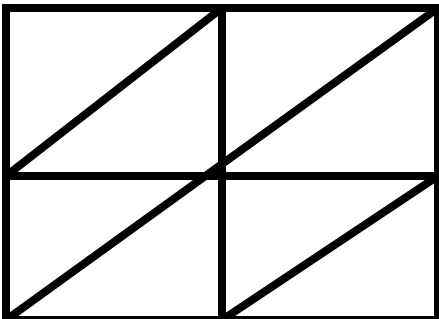
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A CLOSER LOOK AT OLIGOPOLIES AND THE NASH EQUILIBRIUM

“GAME THEORY” -

TWO THIEVES

TWO OIL COMPANIES



MARKET STRUCTURES

