I. **Market Structures**: __________________________________________________________

depends upon:

- **N**________________________________ helps determine the level of competition more producers = more competition

- **S**______________________________ – degree to which producers in a market are similar.
The more similar, the greater the competition

- **E**______________________________ -- markets that are easy to enter are the most competitive

- **C**______________________________ -- ability to influence prices = market power the more competitive the market the less market power individual businesses have

- **Nobody Sleeps in Economics Class!!!**

<table>
<thead>
<tr>
<th>Perfect Competition</th>
<th>Monopolistic Competition</th>
<th>Oligopoly</th>
<th>Monopoly</th>
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</thead>
<tbody>
<tr>
<td>_______ producers and consumers</td>
<td>_______ producers provide _______ producers provide _______ but varied goods but not identical goods</td>
<td>_______ number of producers provide _______ number of producers provide _______ but not identical goods</td>
<td>Market in which a _______ provides _______</td>
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<td>_______ products</td>
<td>_______ competition</td>
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<td>_______ entry into market</td>
<td>Non-competition – _______</td>
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<td>Significant control over______</td>
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<td>No control over _______</td>
<td>Markets remain _______</td>
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<td>Less incentive to _______ customers</td>
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<td>Prices determined by _______</td>
<td>Examples:</td>
<td></td>
<td>_______ to entering the market</td>
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<td>Consumers have easy access to _______ about products and prices</td>
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<td>_______ Laws stop</td>
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<td>Producers are forced to be _______</td>
<td>_______ producers provide _______ producers provide _______ but not identical goods</td>
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<td>Monopolies</td>
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<tr>
<td>Consumers pay _______ _______</td>
<td>_______ competition</td>
<td>Producers have _____ control over _______ Industry dominated by a _______ firms producing similar products _______ producers have advantage over smaller producers -- _______ of scale _______ – producers make agreements on _______ levels and pricing _______ – set production levels and prices for specific products OPEC (oil)</td>
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<td>Examples:</td>
<td>Types of Monopolies: _______</td>
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<td>_______ monopolies – one producer controls a natural resource</td>
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<td>_______ created – protect inventors of products – copyrights/patents, _______</td>
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<td>Park Service, licenses _______</td>
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<td>_______ monopolies -- single firm provides good or service more _______ and at a lower cost – utility companies, cable</td>
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</tbody>
</table>
The further _________ on the scale, the greater degree of ______________________ exercised by the firm

II. **Economies of scale**: greater efficiency and cost savings that result from ______________________
   Usually associated with _______________________________
   Examples:

III. **Anit-Trust Laws**:
    • **United States antitrust law** prohibits anti-competitive behavior – _________________
    • _____________________________in the marketplace
    • Make ________________________certain practices deemed to hurt businesses or consumers or both
    • ________________________________ – limits cartels and monopolies – response to John D Rockefeller's Standard Oil monopoly
IV. Market Failures:

Market failures occur when markets do not allocate ____________ and _______________ _________________.

1. 
2. 
3. 

are all examples of Market Failure

V. Externalities and Public Goods

Also examples of market failure

**Externalities** – things that affect someone other than ____________ or _______________
spillover effects, either ____________ or ________________, resulting from the actions of companies or individuals

**Examples:**
- factory dumps ________________ into a river, people downstream get sick
- neighbor plants a new flower garden, results are pleasing to you

**Public Goods** – good available for ________________ – regardless of ________________ (opposite of private goods)
goods and services that are not provided by the market system because of the difficulty of getting people who benefit from them to _____________ for their use.

**Examples:**
- Streetlights and ________________
- fire and police services, _________________, public parks

Private firms do not provide us with these public goods because they have no way to make the people who benefit from them pay for them.