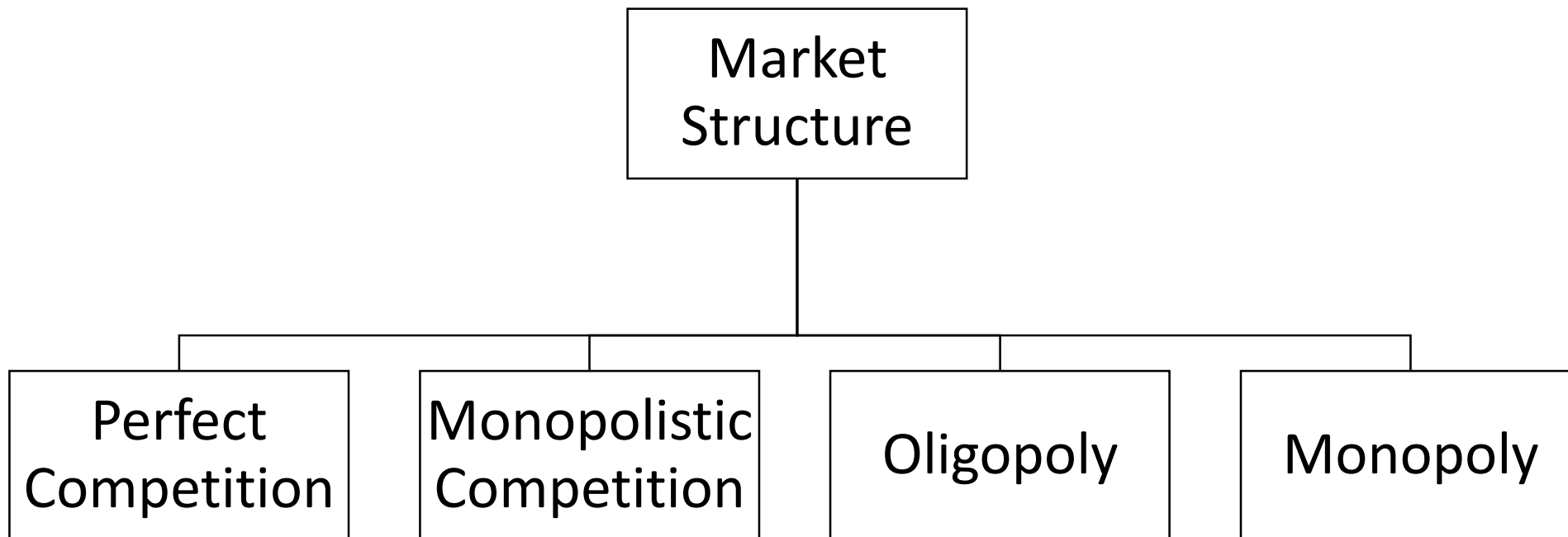


Market Structure

Concept

- **Market**—an arrangement through which buyers and sellers came into contact to buy and sell various goods and services.
- Types of market
 - from seller's side.
 - categorised on the basis of degree of competition



Characteristics of Different Market Structure

S. no.	Features	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
1.	No. of Sellers/Producers	Large	Many	Few	Single/One
2.	Nature of the product	Homogeneous	Heterogeneous/ Differentiated	Homogeneous & Heterogeneous/ Differentiated	Unique/ Single
3.	Competition	Consumer is the king.	Higher degree of competition.	Dominance of seller.	No competition, seller controls market.
4.	Barriers to entry	Nil	Low	High	Very high
5.	Pricing Decisions/ Power to influence price	Price takers No influence	Price makers Some	Price makers Some	Price makers Considerable
6.	Non-price Competition	None	Selling cost/ Advertising	Selling cost/ Advertising	Advertising
7.	Demand Curve	Horizontal	Downward Sloping (Flatter)	Kinked	Downward Sloping (Steeper)
8.	Equilibrium: Short Run Long Run	Excess profit, Normal profit, loss (sub-normal) Normal profit	Excess profit, Normal profit, loss (sub-normal) Normal profit	Excess profit, Normal profit, loss (sub-normal) Excess profit	Excess profit, Normal profit, loss (sub- normal) Excess profit