



DEFINING CHARACTERISTICS OF FIRM STRUCTURES

	PURE COMPETITON	MONOPOLISTIC COMPETITION	OLIGOPOLY	PURE MONOPOLY SINGLE PRICE
How many firms? Firm size relative to market?				
Example Industry				
Type of product? Are there substitutes? How many?				
Do the firms have to take into consideration the behavior of other firms? (Interdependent)				
How readily available is information about the product, behavior of other firms and consumers?				
Are there barriers to entry or exit? If so, what are they and how significant are they?				



Example Industry				
How much market power does the firm have?				
What type of demand curve does the firm face? Can you derive the firm's Marginal Revenue Curve?				
What is the Short Run Profit-maximizing/Loss-minimizing Rule of Output?				
Can the firm make profit in the short-run? Why or why not?				
Can the firm make profit in the long run? Why or why not?				
Under what circumstances will the firm produce at a loss in the short run?				



Example Industry				
When will the firm temporarily shut down in the short run?				
When should the firm exit the industry?				
Does the government attempt to regulate the behavior of the firm? How?				
Is the firm inefficient? Allocative Inefficiency? Productive Inefficiency?				