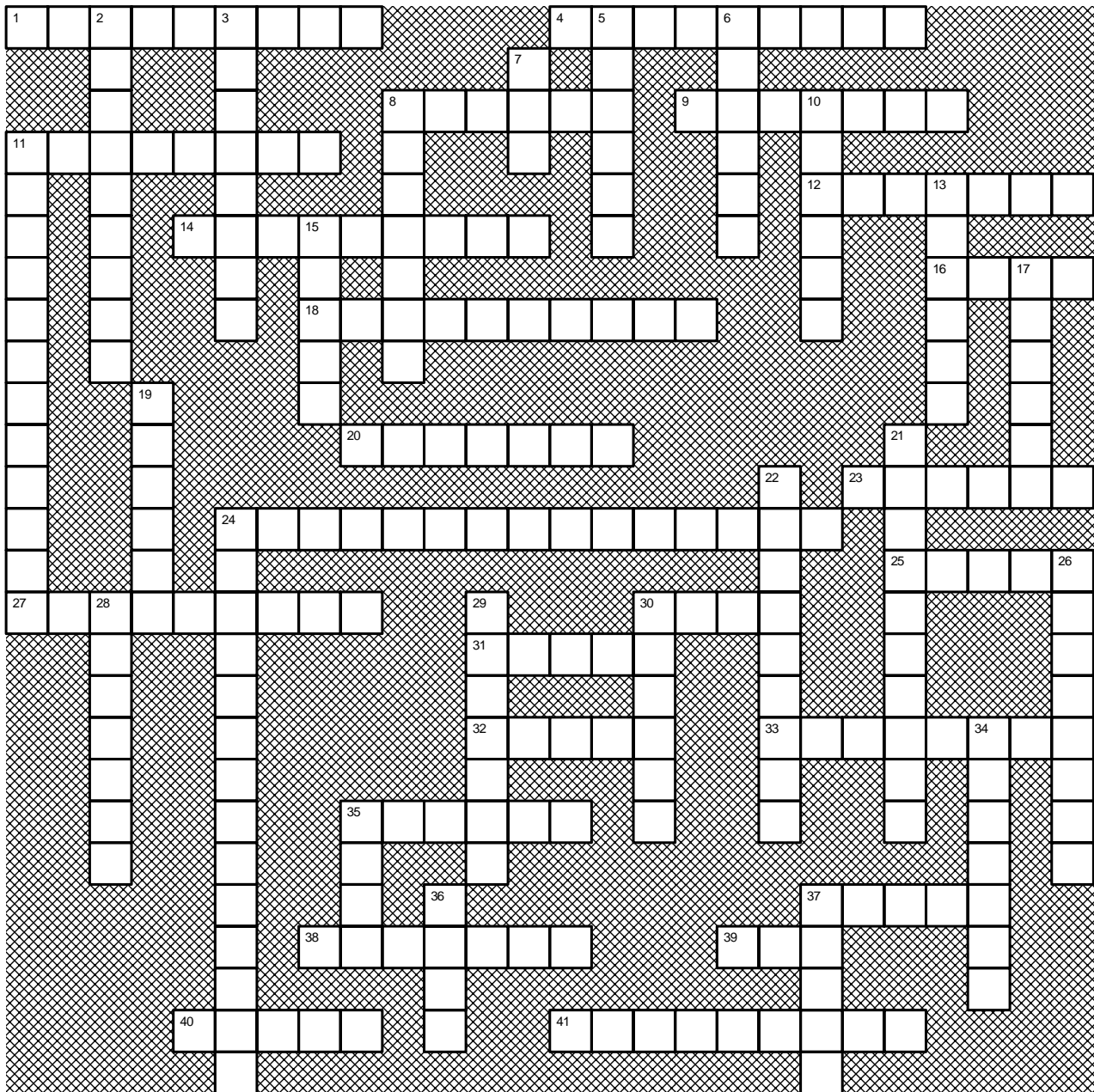


# Market Structures

(chapter 7, §§ 1-3)



Across

1. Perfectly competitive markets are \_\_\_\_\_. Firms must keep costs as low as possible and use all resources to their best advantage.
4. A market structure dominated by a few large firms is an \_\_\_\_\_.
8. A \_\_\_\_ gives a company exclusive rights to sell a new good or service for a specific period of time.
9. The expenses that a new business must pay before the first product reaches the customer are called \_\_\_\_\_ costs. [no space or hyphen]
11. When barriers prevent firms from entering a market that has a single supplier, a \_\_\_\_\_ forms.
12. One way monopolistically competitive firms can attract customers is by offering better \_\_\_\_\_ to their customers.
14. Barriers to entry can lead to \_\_\_\_\_ competition.
16. When a firm has some control over price -- and can cut the price to sell more -- marginal revenue is \_\_\_\_\_ than price.
18. Sometimes a new \_\_\_\_\_ can destroy a natural monopoly, such as when the development of microwave technology ended the AT&T long distance monopoly.
20. The only decision a perfectly competitive firm can make is \_\_\_\_\_ to produce. [two words without a space]
23. Prices in a perfectly competitive market are the \_\_\_\_\_ sustainable prices possible.
24. Monopolistically competitive firms have some control over their price due to product \_\_\_\_\_.
25. In a perfectly competitive market, marginal revenue is always \_\_\_\_\_ to market price.
27. An agreement among members of an oligopoly to set prices and production levels is called \_\_\_\_\_.

30. The market for most \_\_\_\_ products is close to perfect competition.
31. A perfectly competitive market will result in more units sold at a \_\_\_\_ market price than in a monopoly.
32. Characteristics that cause a producer's average cost to drop as production increases are called economies of \_\_\_\_.
33. The growth of the \_\_\_\_ has reduced the start-up costs in many markets, including the markets for books and music.
35. An agreement among firms to sell at the same or very similar prices is called price \_\_\_\_.
37. Market \_\_\_\_ is the ability to control prices and total market output.
38. If we define a good or service provided by a company \_\_\_\_ enough, we can usually find substitute goods from a different source.
39. When oligopolists cut their prices very low to gain sales it is called a price \_\_\_\_.
40. In the long run in perfect competition output will reach the point where each firm just covers all of its costs.
41. In perfect competition sellers offer \_\_\_\_ products.

### Down

2. A contract issued by a local authority that gives a single firm the right to sell its goods within an exclusive market is called a \_\_\_\_.
3. In perfect competition, buyers and sellers are well \_\_\_\_ about the products.
5. In perfect competition each firm produces so \_\_\_\_ of the product compared to the total supply that no single firm can hope to influence price.
6. Even a monopolist faces a limited choice -- it can choose either \_\_\_\_ or price, but not both.
7. Monopolistic competition is characterized by \_\_\_\_ artificial barriers to entry.
8. \_\_\_\_ competition is characterized by a large number of firms all producing essentially the same product.
10. One of the conditions necessary for sellers to engage in price discrimination is difficult \_\_\_\_.
11. In \_\_\_\_ competition, many companies compete in an open market to sell products that are similar but not identical.
13. In perfect competition, the prices that consumers pay and the revenue that suppliers receive accurately reflect how much the market \_\_\_\_ the resources that have gone into the product.
15. Factors that make it difficult for new firms to enter the market are called barriers to \_\_\_\_.
17. One of the ways that monopolistic competitors can differentiate their product is through \_\_\_\_\_. [For example, a shirt with a Tommy Hilfiger logo sells for twice the price as the same shirt without the logo.]
19. A \_\_\_\_ is an agreement by a formal organization of producers to coordinate prices and production.
21. A \_\_\_\_ monopoly is a monopoly created by the government.
22. A product that is considered the same regardless of who makes it or sells it is called a \_\_\_\_.
24. When a seller can divide buyers into two groups, with varying demand elasticities, and charge a different price to each group, it is called price \_\_\_\_.
26. Some goods can be price discriminated by \_\_\_\_, or where they are sold.
28. A government issued \_\_\_\_, granting firms the right to operate a business, may give the firm monopoly power.
29. In order to price discriminate, sellers must be able to guess the demand curves of different groups, one of which is more elastic than the others.
30. One characteristic of perfect competition is that sellers are able to enter and exit the market \_\_\_\_.
34. A \_\_\_\_ monopoly is a market that runs most efficiently when one large firm provides all of the output.
35. '\_\_\_\_ companies essentially supply all of the world's recorded music.'
36. One characteristic of perfect competition is that \_\_\_\_ buyers and sellers participate in the market.
37. In perfect competition, everyone in the market must accept the market \_\_\_\_ as given.