

# ECONOMICS

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Name of the course

- B.A HONS. Part I, Economics

②

Paper

- I (MICRO ECO.)

③

TOPIC

- MARKET STRUCTURE

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Economics.

# Market Structure

No. of Firms & Degree of Product Differentiation

Nature of INDUSTRY

CONTROL OVER PRICE

METHOD OF MARKETING

|                        |   |                                     |      |                            |
|------------------------|---|-------------------------------------|------|----------------------------|
| 1. Perfect competition | Large No of FIRMS with Homogeneous Products | Financial Market Some Farm Products | NONE | Market Exchange or Auction |
|------------------------|---|-------------------------------------|------|----------------------------|

MS - on the basis of organisation behaviour of an INDUSTRY  
 (1) No. of firms (2) Distinctiveness of their product (3) Ed  
 (4) Degree of control over the price of the product

|                              |   |  |      |  |
|------------------------------|---|--|------|--|
| 2. Imperfect competition     |   |  |      |  |
| (a) Monopolistic competition | Many firms with Real or Perceived Product differentiation | Manufacturing: Tea, toothpaste, TVsets, shoes, Refrigerator etc. | Some | Competitive advertising, Quality Rivalry |

|               |                            |   |      |                                   |
|---------------|----------------------------|---|------|-----------------------------------|
| (b) oligopoly | No Product differentiation | Aluminium, steel, cigarettes, cars, Passenger cars etc. | Some | Comp Advertising, quality Rivalry |
|---------------|----------------------------|---|------|-----------------------------------|

(c) MONOPOLY  
 Market-features  
 (1) one seller (2) one commodity (3) Buyers & Sellers (1) Free competition (2) one price

|   |   |                                    |                    |
|---|---|------------------------------------|--------------------|
| A Single PRODUCER without close substitutes | Public UTILITIES: Telephones, Electricity, etc. | Considerable but usually Regulated | PRO MO NA Ad estis |
|---|---|------------------------------------|--------------------|

A Firm is a B.C which owns and directs the activities of one or more of its plants and offices

A plant is an establishment carrying out production activities in a factory building, mill, Mill, warehouse, store etc.

Legal form of firm is determined by (1) no. of owners (2) whether owners have limited & unlimited liability

Liability - means the responsibility of payment of firm's debt.