

# Identifying Market Structure

## Warm Up

### DIRECTIONS

The characteristics of all four market structures are provided in the box. Use this information to help you decide which of the following market structures best describes each market listed below.

- Perfect Competition (PC)
- Monopolistic Competition (MC)
- Oligopoly (O)
- Monopoly (M)

(Monopolistic competition is a new concept, but you should be familiar with the other three market structures. If you do not know the structure of one of the markets, it must be monopolistic competition.)

	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
<b>Number of Sellers</b>	Infinite	Many	Few	One
<b>Barriers to Entry</b>	None	Very Few	High	Extreme
<b>Substitutes</b>	Perfect Substitutes	Differentiated Products	Similar or Differentiated	None
<b>Control Over Price</b>	None	Some	High (if collusion holds)	Price Setter
<b>Advertising</b>	None	Extreme	Extreme	Some

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| <p>_____ 1) Diamonds</p> <p>_____ 2) Wheat</p> <p>_____ 3) Airline Travel</p> <p>_____ 4) Fast Food Restaurants</p> <p>_____ 5) American Automobiles</p> <p>_____ 6) Shampoo</p> <p>_____ 7) Cell Phone Service</p> <p>_____ 8) Amtrak Train Travel</p> | <p>_____ 9) Tomatoes</p> <p>_____ 10) Strawberries</p> <p>_____ 11) Hair Salons</p> <p>_____ 12) Local Electric Company</p> <p>_____ 13) Breakfast Cereals</p> <p>_____ 14) Retail Clothing Stores</p> <p>_____ 15) National Football League (NFL)</p> <p>_____ 16) Televisions</p> |
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