

Is This a Monopoly?

Class Activity

DIRECTIONS

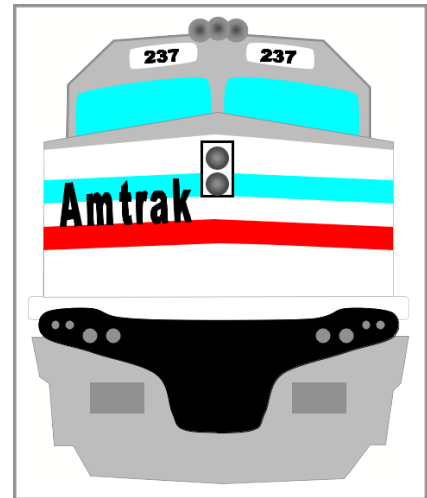
Several firms have been listed below. First, determine which market that firm is in. Then, use the characteristics of monopoly to decide whether each firm is a monopolist or not. There are questions for each characteristic of monopoly. Finally, if the firm is a monopolist, decide whether it is a geographic, technological, legal, or natural monopoly.

Characteristics of Monopoly	Barriers to Entry	Types of Monopoly
One Seller	Control of Resource	Geographic
No Substitutes	Technological Superiority	Technological
High Barriers to Entry	Government Involvement	Legal
Control Over Price	Economies of Scale	Natural

IS THIS A MONOPOLY?

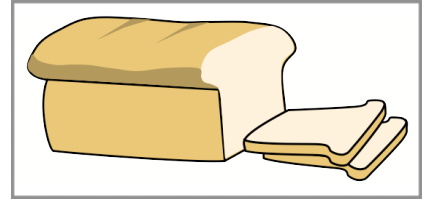
1) Amtrak

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
- D) Are there any barriers keeping other firms from entering this market? If yes, which barriers to entry are present?
- E) Do you think this firm has control over price?
- F) Is this firm a monopolist? If yes, which type of monopoly is it?

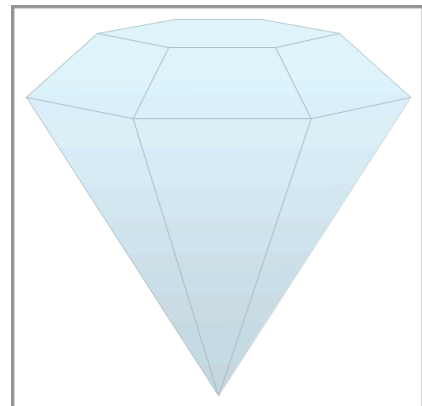


2) Entenmann's

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
- D) Are there any barriers keeping other firms from entering this market? If yes, which barriers to entry are present?
- E) Do you think this firm has control over price?
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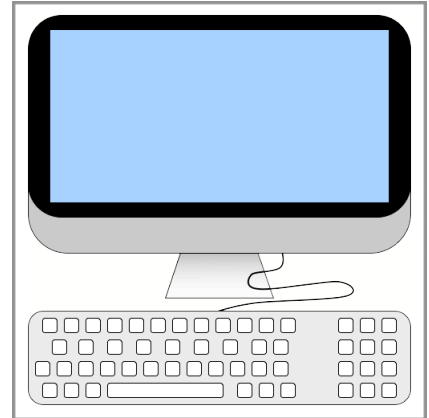
**3) De Beers**

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
- D) Are there any barriers keeping other firms from entering this market? If yes, which barriers to entry are present?
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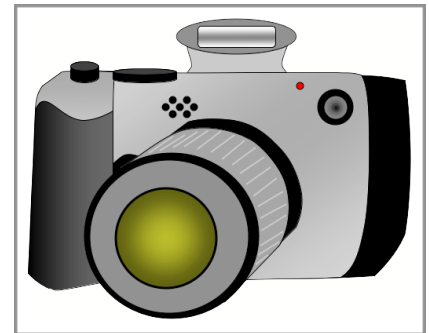


4) Microsoft

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
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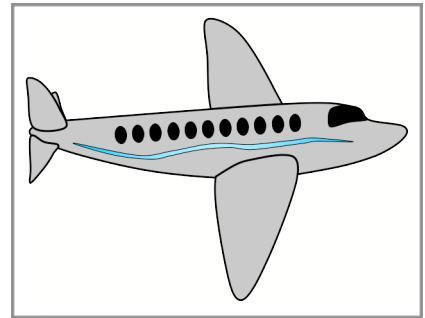
**5) Nikon**

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
- D) Are there any barriers keeping other firms from entering this market? If yes, which barriers to entry are present?
- E) Do you think this firm has control over price?
- F) Is this firm a monopolist? If yes, which type of monopoly is it?



6) Delta

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
- D) Are there any barriers keeping other firms from entering this market? If yes, which barriers to entry are present?
- E) Do you think this firm has control over price?
- F) Is this firm a monopolist? If yes, which type of monopoly is it?

**7) Gas Station in the Middle of the Desert**

- A) Which market is depicted in the picture to the right?
- B) Is this firm the only seller in the market? If not, list some others.
- C) Are there substitutes for this product? If yes, list some below.
- D) Are there any barriers keeping other firms from entering this market? If yes, which barriers to entry are present?
- E) Do you think this firm has control over price?
- F) Is this firm a monopolist? If yes, which type of monopoly is it?

