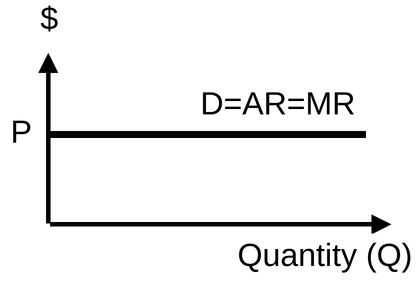
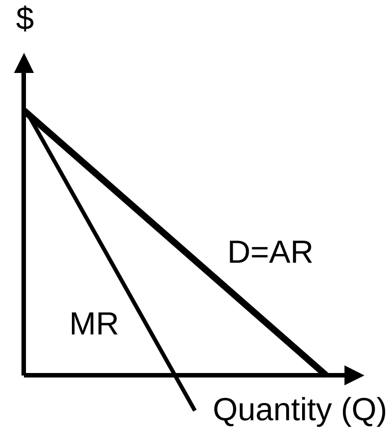
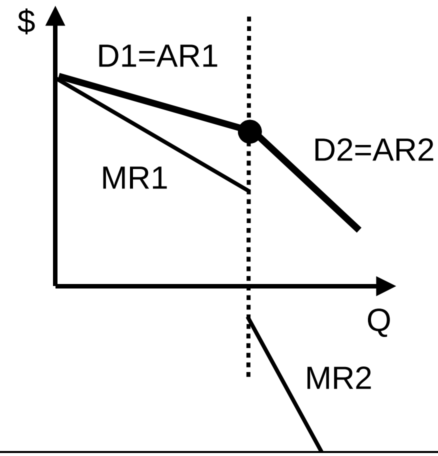
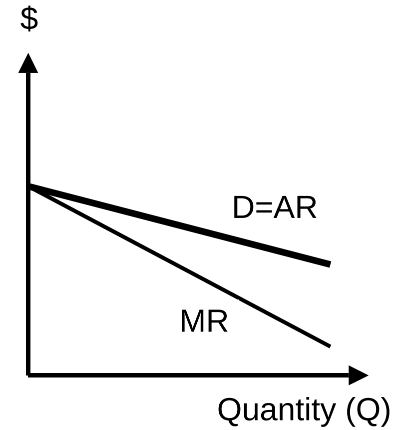
Market Structure (Demand)

1 Perfect competition (Price = Marginal cost)	2 Imperfect competition (Price > Marginal cost)		
	2.1 Monopoly	**2.2 Oligopoly**	**2.3 Monopolistic competition**
 P = Price D = Demand AR = Average revenue MR = Marginal revenue			
• Many sellers with a homogeneous product. There exist **no** barriers to entry.	• One seller facing the whole market demand. There exist barriers to entry.	• A few sellers facing a kinked demand curve (Because of the reactions of competitors)	• Many sellers with slightly different products
• The individual seller is a price taker, that is, price is given for him. He can set quantity.	• Seller can set price or quantity.	• Diminished control over price or quantity (Reactions of competitors)	• Only a small control over price or quantity
• The **whole market**