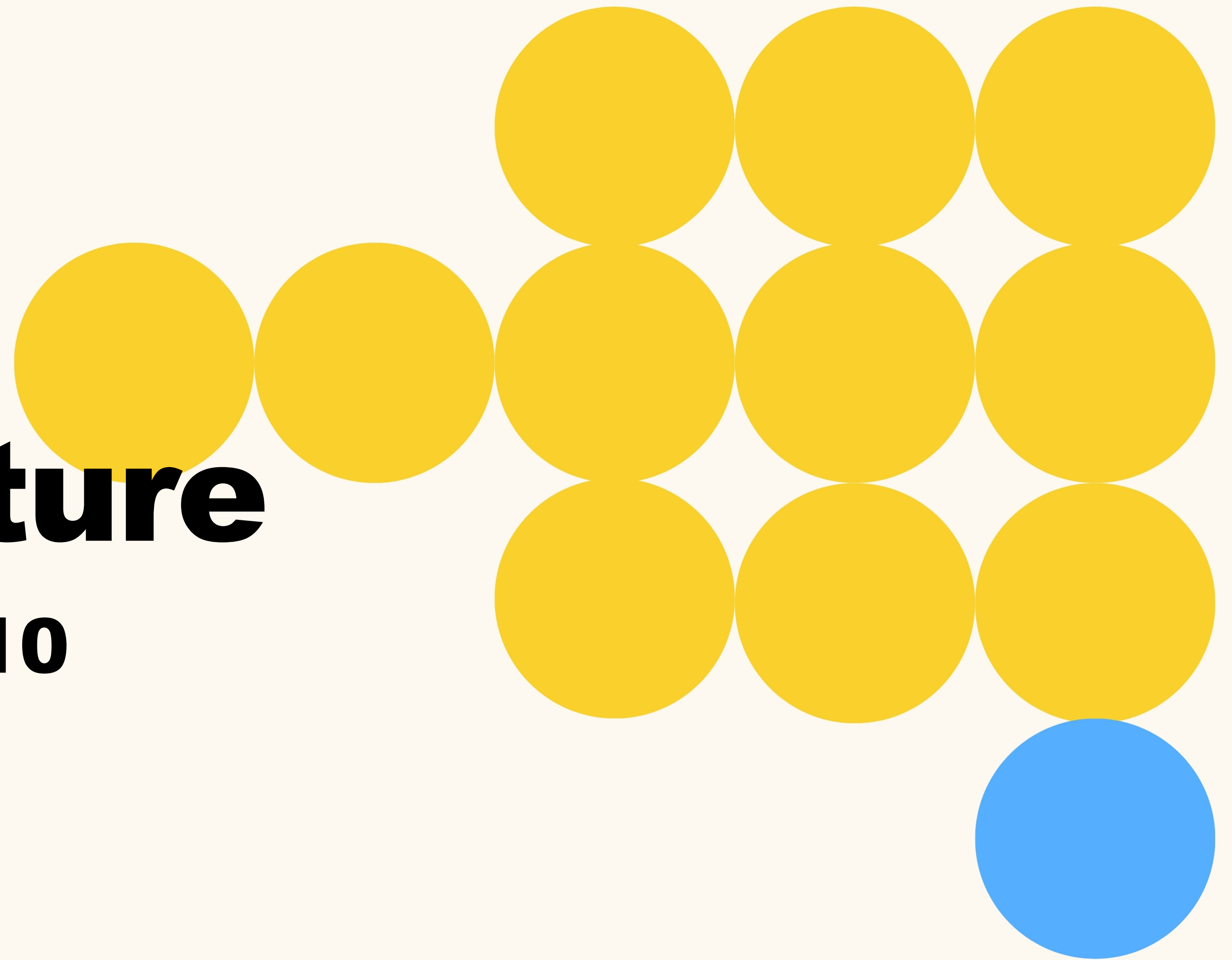


Market structure

Microeconomics - year10



Agenda

Drive growth of monthly sales volume of purchases

- Multiple choice
- Essay

Be the most desirable brand



Recap

IGCSE Economics Exam Crash Course by Knockout.Economics

Chapter23 : Market Structure

Recap

IGCSE Economics Exam Crash Course by Knockout.Economics

Chapter23 : Market Structure

Part1-Multiple choice

1. What does profit maximization mean?

- A) The firm is dedicating a portion of its profit to other business goals.
- B) The firm is earning the highest possible gap of total revenue and total cost.
- C) The firm is achieving greater profits this year compared to last year.
- D) The firm is earning the same level of profit this year as it did last year.

Part1-Multiple choice

2. If a competitive industry turns into a monopoly, what is the most probable benefit for consumers?

- A) consumer choice may increase.
- B) economies of scale may reduce average cost and hence lower selling price to consumers
- C) more quantity of production
- D) prices may be set by market forces

Part1-Multiple choice

3. What is likely to occur if a market that was previously competitive turns into a monopoly?

	Barriers to entry	Economies of scale	The size of the firm
A	↓	↓	↑
B	↓	↑	↓
C	↑	↓	↓
D	↑	↑	↑

Part1-Multiple choice

4. A monopoly firm can typically generate higher profits than a firm in a competitive market. Which feature of a monopoly is most likely responsible for this?

- A) It can prevent new firms from entering the market.
- B) It is a price taker.
- C) It has government protection.
- D) high competitors in the market

Part1-Multiple choice

5. A large privately owned firm is the sole supplier of water to a city. Which combination of characteristics is likely to exist for this firm?

	Barriers to entry	Long-run profit	Pricing decision
A	High	High	Price maker
B	Low	High	Price maker
C	High	Low	Price taker
D	Low	Low	Price taker

Part2- Essay

1. Examine whether consumers would gain or lose if a firm were to become a monopoly. [8]
2. Consider whether product quality is more likely to be higher in a monopoly or in a perfectly competitive market. [8]

Part2- Essay (Continue)

2. Consider whether product quality is more likely to be higher in a monopoly or in a perfectly competitive market. [8]

The End

