

Market Structure Review Questions

Answer the following questions based on the video you just watched

1. Which market structure(s) will have zero economic profits in the long run?
2. Which market structure(s) will be a price maker and have barriers to entry?
3. There are currently 8 firms in a particular market. Their firm sales are given in the table below. What is the four-firm concentration ratio for this industry? Would you classify it as an oligopoly?

Firm	Sales
1	\$1,000
2	\$1,500
3	\$2,000
4	\$2,500
5	\$3,000
6	\$1,000
7	\$500
8	\$2,500

4. Although market structures vary widely in their characteristics, what is one common aspect among all of them? Does your previous answer have any potential calculation?
5. In the long run, which market structures are likely to have their average cost curve just sit on top of their demand curve? What does this imply for each market structure? Are there any differences in the market structures you gave in your previous answer?
6. What market structure(s) are likely to cause a net loss to societal welfare?