

# **ECON 203: Principles of Microeconomics**

## **Class 19: Oligopolies**

# Knowledge Recap

- Imperfect competition is a type of market structure that lies in between perfect competition and monopoly.
- Types of imperfect competition:
  - Monopolistic competition.
  - Oligopoly.

# Oligopoly

- Oligopoly.
  - A market structure in which there are few firms selling very similar or identical products (e.g. duopoly).

<b>Characteristics of the Market</b>		
<b>Perfect Competition</b>	<b>Monopoly</b>	<b>Oligopoly</b>
Many firms.	One firm.	Few firms.
Homogenous product (many substitutes).	Unique product (no substitutes).	Homogenous product.
No barriers to entry.	Barriers to entry.	Barriers to entry.