Ayushi Gupta
150531
B.Com(H) 1st Semester
Section - B

ECONOMICS TASK

DIFFERENCE BETWEEN PERFECT COMPETITION, MONOPLY AND MONOPLISTIC COMPETITION :-

BASIS	PERFECT COMP.	MONOPLY	MONOPLISTIC COMP.
NO. OF SELLERS AND BUYERS	Large	~~Large~~ Single seller but large no. of buyers.	large
PRODUCT	Homogeneous	Homogeneous/ Differentiated	Product Differentiation
PRICE	Uniform	not uniform	Not uniform
ENTRY OF FIRMS	Free entry	not possible	not absolute freedom.
KNOWLEDGE OF MKT. CONDITIONS	Perfect know-ledge.	Imperfect knowledge	Imperfect knowledge.
MOBILITY	Perfect mobility	Imperfect mobility	Imperfect mobility.
FIRM'S DEMAND CURVE	Perfectly elastic	Relatively less elastic	Relatively more elastic.
SLOPE OF FIRM'S DEMAND CURVE	Horizontal straight line (AR=MR)	Slopes downward with low elas-ticity (AR>MR)	Slopes downward with high elas-ticity (AR<MR)

SELLING COSTS	not required	not required	Very significant.
DEGREE OF PRICE CONTROL	No control over price	Full control over price	Partial control over price.
LEVEL OF PROFIT IN THE LONG-RUN	AR = AC ⇒ normal profits	AR > AC ⇒ extra normal profits	AR = AC ⇒ normal profits
EXAMPLES	Fruits Gold Vegetables	Postal Railways Cable connection.	Brands of Toothpaste. Brands of soap.