

Section 3: Guided Reading and Review

Monopolistic Competition and Oligopoly



A. As You Read

As you read Section 3, fill in the information requested on the charts.

Monopolistic Competition Market Structures	
Defining Conditions	<div style="display: flex; justify-content: space-between;"> <div>1. _____</div> <div>2. _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div>3. _____</div> <div>4. _____</div> </div>
Forms of Nonprice Competition	<div style="display: flex; justify-content: space-between;"> <div>5. _____</div> <div>6. _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div>7. _____</div> <div>8. _____</div> </div>
Price-Output Relationship	9. _____
Curbs on High Profits	<div style="display: flex; justify-content: space-between;"> <div>10. _____</div> <div>11. _____</div> </div>
Consumer Advantages	12. _____
Oligopoly	
Conditions Encouraging Formation	<div style="display: flex; justify-content: space-between;"> <div>13. _____</div> <div>14. _____</div> </div> <div style="text-align: center; margin-top: 10px;">15. _____</div>
Practices that Concern Government	<div style="display: flex; justify-content: space-between;"> <div>16. _____</div> <div>17. _____</div> </div> <div style="text-align: center; margin-top: 10px;">18. _____</div>

B. Reviewing Key Terms

Read the statements below. In the space provided, write T if the statement is true or F if it is false.

- ____ 19. Firms selling identical products create *monopolistic competition*.
- ____ 20. Providing better customer service, introducing a new lipstick color, and sophisticated advertising are examples of *nonprice competition*.
- ____ 21. *Price fixing* is an outcome of collusion.
- ____ 22. A *cartel* is most successful when each member produces as much product as possible.

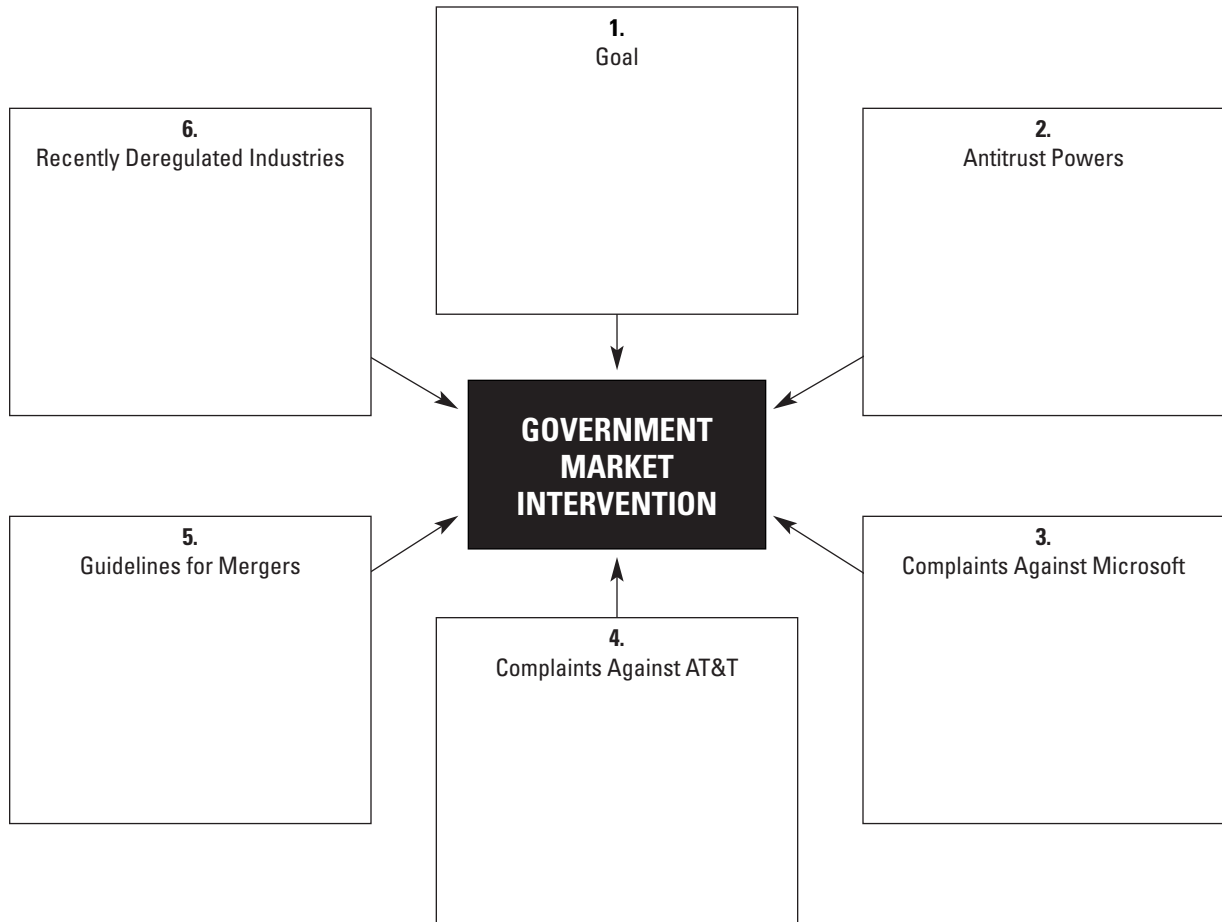
Section 4: Guided Reading and Review

Regulation and Deregulation



A. As You Read

As you read Section 4, supply the missing information about government market intervention in the numbered web boxes.



B. Reviewing Key Terms

Use a key term to rewrite each sentence correctly.

7. *Price fixing* is the practice of setting the market price below cost for the short term to drive competitors out of business. _____

8. A *monopoly* occurs when a company joins with another company to form a single firm.

9. *Perfect competition* means that the government no longer decides a company's market role and pricing. _____
