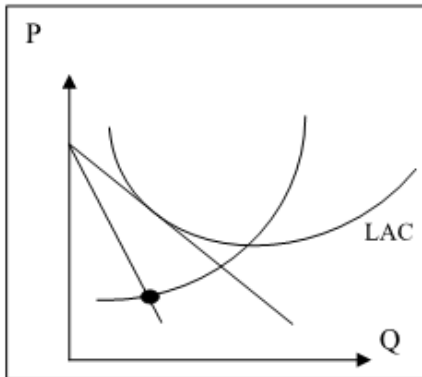


Monopolistic Competition Short Questions

2008

The diagram below represents the long run equilibrium of a firm in imperfect competition, which seeks to maximise profits. Label the diagram and use it to describe the long run equilibrium position for a firm in Imperfect Competition.



Description:

- (i) _____
- (ii) _____
- (iii) _____
- (iv) _____

(17 marks)

2011

Name the market structure (Perfect Competition, Imperfect Competition or Monopoly) to which each statement below is most likely to apply:

| STATEMENT | MARKET STRUCTURE |
|---|------------------|
| (i) The firm has a perfectly elastic demand curve. | |
| (ii) The product of the firm is unique. | |
| (iii) Restaurants could be an example of this market structure. | |
| (iv) Average costs of the firm are at a minimum. | |

(16 marks)

2012

'Imperfect Competition is wasteful of resources'. Do you agree with this statement? Yes /No
Explain your answer.

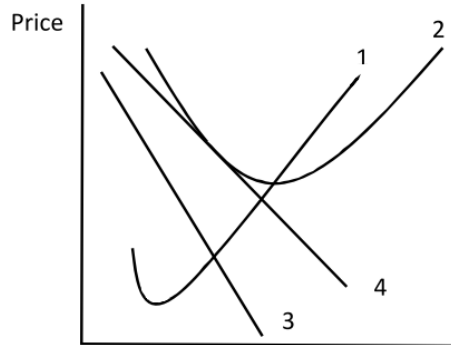
(17 marks)

2019

5. The diagram below represents the long run equilibrium of a firm in **imperfect competition**.

- (i) Write in full the label (not abbreviation) for each of the lines numbered 1 to 4. Use the answer box provided.

| Number | Label |
|--------|-------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |



- (ii) Show clearly on the diagram the long run equilibrium price, quantity and cost for the firm.
- (iii) State whether or not the firm is earning supernormal profits. Give a reason for your answer.

(16 marks)