

## Imperfect Competition Long Questions

### 2001 Q1

- (a) State and explain the assumptions underlying the theory of **Imperfect Competition**. (25 marks)
- (b) Draw the demand curve which faces a firm in imperfect competition and justify its shape. (10 marks)
- (c) Discuss, with the aid of a clearly labelled diagram, the implications of the assumptions in (a) above, on the equilibrium of the firm in the long run under conditions of imperfect competition. (30 marks)
- (d) State **ONE FEATURE** of this firm in long run equilibrium which would be common to a firm in long run equilibrium under **EITHER** perfect competition **OR** monopoly. (10 marks)

[75 marks]

### 2005 Q2

2. (a) State and explain the assumptions underlying the theory of **imperfect competition**. (20 marks)
- (b) (i) Explain, with the aid of a clearly labelled diagram the long run equilibrium position of a firm in **imperfect competition**.
- (ii) State and explain **ONE** feature of this firm in long run equilibrium which would be common to a firm in long run equilibrium under **perfect competition**.
- (iii) State and explain **ONE** feature of this firm in long run equilibrium which would be common to a firm in long run equilibrium under **monopoly**. (40 marks)
- (c) Consider the retail market for petrol. Do you believe that this market operates under conditions of imperfect competition? State reasons for your answer. (15 marks)

[75marks]

### 2009 Q2

- (a) (i) State and explain the assumptions underlying the theory of **imperfect competition**.
- (ii) Outline the advantages imperfect competition may offer consumers. (30 marks)
- (b) Explain with the aid of a diagram in **each** case the conditions for a profit maximising firm to be in equilibrium under imperfect competition:
- (i) in the short run;
- (ii) in the long run. (30 marks)
- (c) 'Major food retailers in the Irish market, such as Aldi, Dunnes, SuperValu and Tesco operate under conditions of Imperfect Competition'.
- Do you agree with this statement? Give reasons for your answer, referring to major food retailers in the Irish market mentioned above. (15 marks)

[75 marks]

**2009 DEB Q2**

- (a) State and explain the assumptions underlying the theory of **imperfect competition**. (20 marks)
- (b) (i) Discuss, with the aid of a diagram, the implications of the above assumptions on the long run equilibrium position of a firm in imperfect competition.  
(ii) State and explain **one** feature of the long run equilibrium position of this firm which is common to the long run equilibrium position of a firm in:
- perfect competition;
  - a monopoly.
- (30 marks)
- (c) (i) Why is imperfect competition considered to be wasteful of economic resources?  
(ii) What advantages may imperfect competition offer to consumers?
- (25 marks)  
**[75 marks]**

**2013 Q2**

- (c) The global market for toothpaste products can be described as an imperfectly competitive market, where firms engage in competitive advertising and branding.
- (i) Explain the term ‘competitive advertising’.
- (ii) Outline, using an example, how advertising can be used to prevent small firms entering an industry.
- (iii) State and explain **two** possible disadvantages of advertising for the consumer.
- (25)

**2014 Q2**

- (a) (i) State and explain **three** assumptions underlying the theory of imperfect competition.  
(ii) Explain why a firm’s demand curve under imperfect competition differs from a firm’s demand curve under perfect competition.
- (25)
- (b) (i) Explain, with the aid of a diagram, the long run equilibrium of a firm in imperfect competition.  
(ii) With reference to your diagram in (b) (i) explain why the firm is not making socially efficient use of scarce resources.
- (30)