5 difference between perfect and imperfect market

Difference between perfect and imperfect market. 5 difference between perfect and imperfect market in tabular form. What is perfect and imperfect market.

	Perfect competition	Monopolistic competition	Oligopoly	Monopoly
Examples	International commodity markets, e.g. gold and oil	Fast-food outlets	Petrol and oil markets	Eskom
Number of businesses	Enough that a single business cannot influence the market price	A very large number	So few that each business must take the actions of the others into account	One business
Nature of product	Homogeneous (same kind)	Differentiated, e.g. cool drinks	Homogeneous or differentiated	Unique product without any close substitutes
Market entry	Completely free	Free	From free to restricted	Blocked
Control over price	None	Few	Considerable, but less than with a monopoly	Considerable
Information	Complete	Incomplete	Incomplete	Complete
Demand curve	Market demand curve slopes from left to right – individual demand curve is horizontal	Downward sloping	Downward sloping	Downward sloping and equals the market demand curve
Long-term economic profit	Normal profit	Normal profit	Positive	Positive
Seller market power	None (price-taker)	Some	A whole lot	Many (price-maker)
Technical efficiency	Yes	Close	Possible	Possible
Allocative efficiency	Yes	Close	No	No

Although no market clearly defines perfect competition, all real markets are classified as imperfect. As mentioned, the ideal market is used as a standard by which the efficiency and effectiveness of market markets can be measured. Perfect competition is an abstract concept that appears in economics textbooks but does not occur in the real world. This is because it cannot be achieved in real life. In theory, each company would have the same expertise in this area and sell the same products. There will be many buyers and sellers in this market, and demand will help set prices for the entire album. Perfect competition in a market requires: Identical products sold by a firm whose prices are determined by supply and demand, meaning that firms cannot control their subsequent market share among firms based on prices and products available to everyone.

buyers with low or no barriers to entry or production or production [Important: Inputs and production in a perfectly competitive market are unregulated, meaning there is no government control over industry players.] Profits from continuing operations. No business is more convenient than another. Indeed, due to the dynamics of the market, it operates under the same conditions and therefore eliminates any potential advantage over others. Since perfect competition is only a theoretical concept, it is difficult to find a real-life example. However, there are times when APPEB "Perfect competition is a concept in microeconomics that describes a market structure that is completely controlled by market forces. If these forces are not satisfied, the market would have been imperfectly competitive. Although no market has clearly defined perfect real competition, real markets are classified as imperfect.

It uses perfect market as a standard against which the efficiency and effectiveness of real-world markets can be measured. Perfect competition is an abstract concept that occurs in economics textbooks but not in the real world. Which is not possible in real Life to be achieved in real life.

Resources will be distributed among firms in the same and only in a perfectly competitive market and there would be no monopoly Every firm would have the same industry knowledge and they would do this they would do this they would do they would do this and they would do this and there would be no monopoly .Everyone sells the same products.In this market there would be many buyers and sellers and demand would help to fix the price evenly at all levels. They are determined by supply and demand, which means that firms cannot control market prices from their market share between firms, information about prices and products for all buying industries with low barriers or non-competitive, which means that the government means that the fact That the government means , that the government government has no control over the participants in a given industry.] Regarding their performance, companies usually make enough profit to stay in business. No company is more profitable than the next. In effect, market dynamics operate on the same playing field and cancel out a potential strip that may occur in another.

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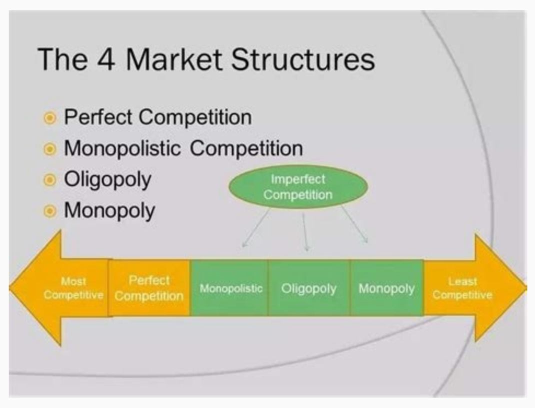
However, there are cases on the market that canthe competitive market is still not satisfied. This type of market is very common. In fact, every industry experiences some form of imperfect competition. This includes a market with diverse products and services, prices not determined by supply and demand, competition for market share, buyers who may not have complete product and price information, and high barriers to entry and exit.

Imperfect competition can be found in the following types of market structures: monopolies, oligopolies, monopolistic competition, monopsony, and oligopsony. Monopolies have only one (dominant) seller. This

company brings to market a product that cannot be replaced. Monopolies have high barriers to entry and the only seller is the price setter. This means that the company determines the price at which its product will be sold, regardless of supply and demand. Finally, the company can change the price at any time without notifying the consumer. In an oligopoly there are many buyers but few sellers.
Examples of oligopolies include oil companies, grocery stores, cell phone manufacturers, and tire manufacturers. Since a small number of players dominate the market, they can prevent others from entering the industry. Companies in this market structure set the prices of goods and services together or, in the case of a cartel, may do so if one of them takes the initiative. Monopolistic competition occurs when many sellers offer similar products that are not necessarily substitutes. Although barriers to entry are relatively low and companies in this structure are price-constrained, the company's overall business decisions are not influenced by its competitors. Examples are fast food restaurants such as McDonald's and Burger King. Although they are in direct competition, they offer similar products that are not substitutable—think Big Macs and Whoppers. Monopsony and oligopsony are opposites of monopolies and oligopolies. Instead of consisting of many buyers and many sellers, these mTo mutually Market structure is fully controlled by market forces in the conditions of perfect competition. With perfect competition, identical products are sold, prices are set on the basis of demand and demand, market share is distributed among all firms, buyers have complete products and prices, and obstacles to entry or output are low or zero. There is no perfect competition in the real world, but the market is represented by incomplete competition. Incomplete competition occurs when at least one ideal market condition is not fulfilled.



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