**Worksheet market structures**

**1) List the Market structures from most to least competitive:**

1)

2)

3)

4)

**2) Market Structures**

|  |  |
| --- | --- |
| Polypoly | 1 only supplier |
|  | 2 lack of competition, high prices |
|  | 3 Risk of cartel formation/ cartelization |
|  | 4 low prices |
| Oligopoly | 5 many suppliers of the same product |
|  | 6 „Price war“ among suppliers |
|  | 7 keen competition (reger Wettbewerb) |
|  | 8 much competition |
| Monopoly | 9 few suppliers of the same product |

**3) Read the descriptions of the businesses provided. Analyze each description, identify the** **market structure that best characterizes the business, and explain your reasoning.**

**Healthy and Hearty Soups:** Healthy and Hearty Soups produces a variety of soups. There is considerable competition in the soup market. However, Healthy and Hearty Soups has spent several million dollars on an advertising campaign to convince consumers that their soups are healthier than all other soups. Because of this advertising, Healthy and Hearty Soups charges a higher price than other soups on the market.

**Type of Market Structure:**

**Reason:**

**County Cable:** County Cable supplies cable access to all local residents. It was a very expensive business to start. The entrepreneurs who started County Cable had to provide underground wire for the entire community. Other companies tried to compete, but the start-up costs were simply too high.

Type of Market Structure:

Reason: