

Chapter 10 – Main Market Forms

Question 1

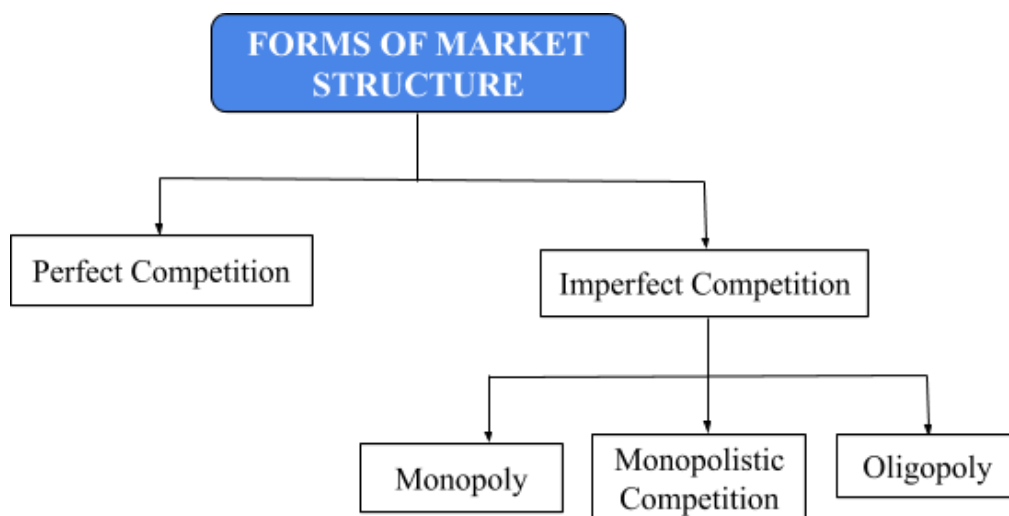
What is Market?

Ans: Market refers to the whole region where buyers and sellers of a commodity are in contact with each other to effect the purchase and sale of the commodity.

Question 2

What are the forms of market structure?

Ans:



Question 3

What are the features of Perfect Competition?

Ans: Features of Perfect Competition are:

- A large number of buyers and sellers
- Homogenous product
- Freedom of exit and entry
- Absence of selling costs
- Absence of transportation costs

Question 4

Define a Monopoly.

Ans: Monopoly refers to a market situation where there is a single seller selling a product which has no close substitutes.

Question 5

What is Monopolistic Competition?

Ans: Monopolistic Competition refers to a market competition in which there are a large number of firms which sell closely related but differentiated products.

Question 6

Define Oligopoly.

Ans: Oligopoly refers to a market situation in which there are a few firms selling homogenous or differentiated products.

Question 7

What are the features of Oligopoly?

Ans: The primary features of Oligopoly are explained as follows:

- Few firms
- Interdependence
- Non-price competition
- Nature of the product
- Role of selling costs
- Group Behaviour