

4. Imperfect Competition

Starter Quiz · 课前小测

AP Microeconomics

Name: _____ Score: _____

1. A firm with market power faces a demand curve that is:
 - ☐ downward-sloping
 - ☐ horizontal (flat)
 - ☐ vertical
 - ☐ upward-sloping
2. A monopoly is a **price maker**, which means it:
 - ☐ chooses its price by choosing its output
 - ☐ must accept the market price
 - ☐ always charges marginal cost
 - ☐ cannot earn a profit
3. Price discrimination means:
 - ☐ charging different buyers different prices for the same good
 - ☐ refusing to serve some buyers
 - ☐ charging everyone the same low price
 - ☐ setting price equal to marginal cost
4. Monopolistic competition has:
 - ☐ many firms selling differentiated products
 - ☐ one firm with no substitutes
 - ☐ a few interdependent firms
 - ☐ identical products from every firm
5. The defining feature of an oligopoly is:
 - ☐ mutual interdependence between a few firms
 - ☐ thousands of tiny firms
 - ☐ identical products only
 - ☐ no barriers to entry
6. A price taker can raise its price above the market price and still sell everything.
 - ☐ True ☐ False

7. For a monopoly, marginal revenue is below the price because it must cut the price on every unit to sell more.

☐ True ☐ False

8. Select **all** conditions needed for price discrimination.

- ☐ the firm has market power
- ☐ buyers can be sorted by willingness to pay
- ☐ resale can be prevented
- ☐ the market is perfectly competitive

Tick every correct option.

9. Anything that stops new firms from entering a market is a _____ to entry.

10. Demand is $P = 100 - Q$, so $MR = 100 - 2Q$. With $MC = 20$, what is the monopoly quantity where $MR = MC$?

4. Imperfect Competition

Answers · 答案

AP Microeconomics

1. downward-sloping

To sell more it must lower its price — a downward-sloping demand curve.

2. chooses its price by choosing its output

With no rivals, the monopolist picks the point on the demand curve that maximises profit.

3. charging different buyers different prices for the same good

It bases each buyer's price on their willingness to pay.

4. many firms selling differentiated products

Many firms compete, but each product is a little different — giving slight market power.

5. mutual interdependence between a few firms

With only a few firms, each must consider how rivals will react.

6. False

A price taker must accept the market price; charging more loses all its buyers.

7. True

Lowering the price on all units makes the extra revenue (MR) smaller than the price.

8. the firm has market power; buyers can be sorted by willingness to pay; resale can be prevented

Market power, sortable buyers, and no resale — perfect competition rules it out.

9. barrier

Barriers to entry protect economic profit in the long run.

10. 40

Set $100 - 2Q = 20 \rightarrow 2Q = 80 \rightarrow Q = 40$.