

Name _____

8.3: A Monopolistic Competitive Market

1. List the characteristics of a monopolistic competitive market.

1.

2.

3.

2. Is this market a price taker or a price searcher? Why?

3. How much output does a monopolistic competitor produce?

4. What price does a monopolistic competitor charge for its product?

5. Do most sellers prefer more competition or less competition? Why?

6. What 2 factors determine the amount of competition a seller faces?

7. Some of the differences in monopolistic competitor's products are physical. What other kinds of differences might exist for products in this market?

8. Why does a monopolistic competitive firm try to differentiate its products from that of its competitors?

9. Most clothing producers are monopolistic competitors. When you go clothes shopping, what factors determine what jeans or shirts you buy?