

Best Uses:

Diagrams show importance of competitive microeconomic markets and the need for government to regulate markets. Know these diagrams + know them well!

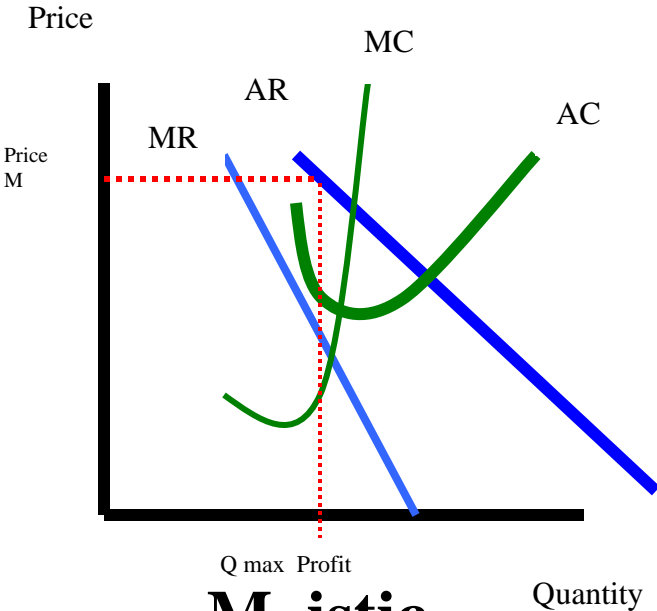
4 competitive models in the Long Run

ED 14: firms in long run

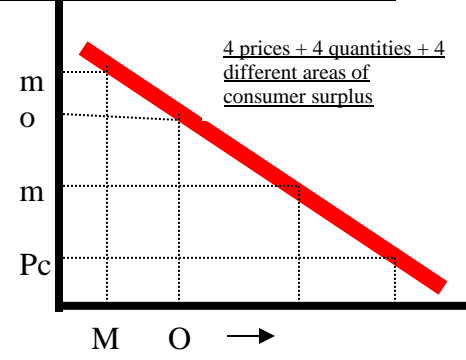
Monopoly

High price low efficiency

A: Equilibrium for Monopoly in SR and LR

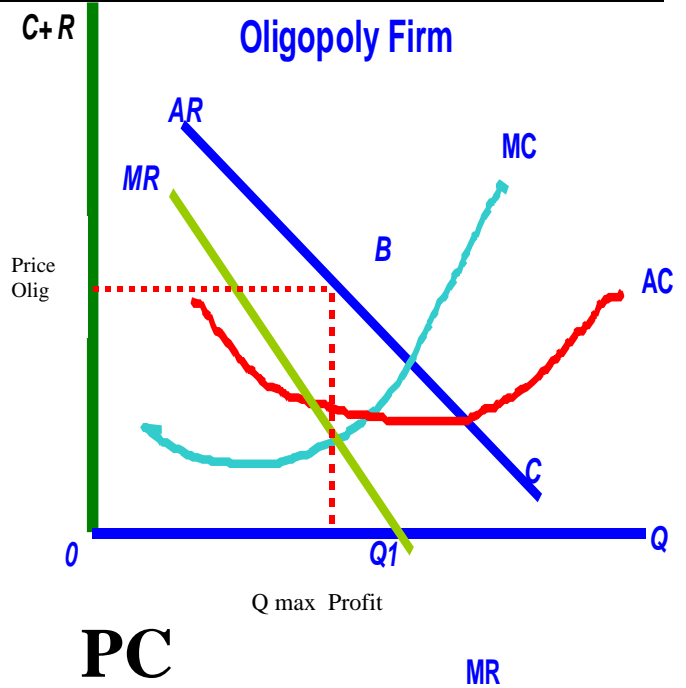


M..istic



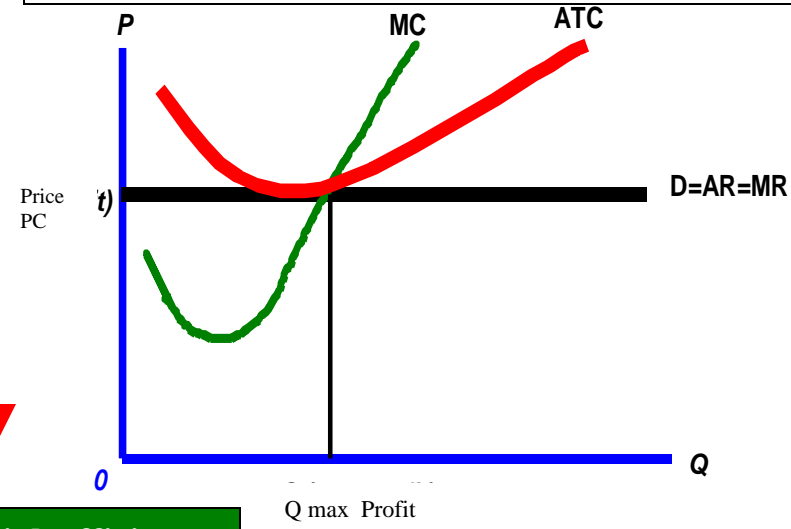
Oligopoly

B: Equilibrium for oligopoly in SR and LR

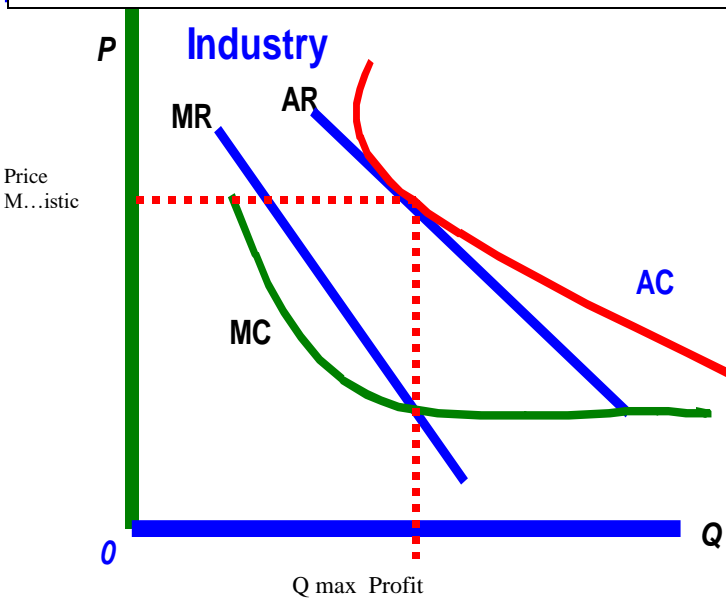


PC

D: Equilibrium for Perfect Competition in the LR



C: Equilibrium for Monopolistic in the LR



Low price high efficiency