

Learning Objectives

Chapter 16

In this chapter you will

- See what market structures lie between monopoly and competition
- Examine what outcomes are possible when a market is an oligopoly
- Learn about the prisoners' dilemma and how it applies to oligopoly and other issues
- Consider how competition laws try to foster competition in oligopolistic markets

You should be able to

- Describe the characteristics of oligopoly and monopolistic competition
- Describe the conditions under which an oligopolistic market generates the same outcome as a monopolistic market
- Show why the outcome of the prisoners' dilemma may change if the game is repeated
- Show why some business practices that appear to reduce competition may have a legitimate business purpose