

Monopolistic Competition

1. Identify the features that characterize a monopolistically competitive firm and industry.
2. Explain the arguments for and against product differentiation and advertising.
3. Interpret the graph of a profit-maximizing monopolistically competitive firm, indicating the profit-maximizing output level, price, and profits (losses).
4. Explain why a monopolistically competitive firm will make normal profits in long-run equilibrium.
5. Identify and analyze the factors in monopolistic competition that cause inefficiency and resource misallocation.

Oligopoly

6. Identify the features that characterize an oligopolistic firm and industry.
7. Identify and discuss the behavioral implications of the models of oligopoly presented in the textbook.
8. Calculate the Nash Equilibrium of a normal form game.
9. Describe the ways in which an oligopolistic firm may be inefficient.