

## **13 (pt.) MONOPOLISTIC COMPETITION**

### **A. MONOPOLISTIC COMPETITION (MC)**

- 1. Objective**
- 2. Market Characteristics**
- 3. Product Differentiation (not in BMB)**

### **B. FIRM–SHORT RUN**

- 1. Demand?**
- 2. Supply?**
- 3. Quantity?**
- 4. Price?**
- 5. Economic Profit?**
- 6. Graph**
- 7. Shut Down?**
- 8. Efficient?**  
**Allocative**  
**Productive**

### **C. INDUSTRY–LONG RUN**

### **D. EXCESS CAPACITY**

- 1. Average Cost and Demand**
- 2. Graph**
- 3. Consequences**

### **E. LOCATION THEORY (Not in BMB)**

- 1. Theory**
- 2. Demonstration**

### **F. SHORT RUN TO LONG RUN**

- 1. Barriers to Entry**
- 2. Economic Profits**

### **F. EFFICIENCY**

- 1. Allocative**
- 2. Productive**

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