



Name: _____

Economics Textbook Chapter 9

1. What are the three basic market question?

a) _____

b) _____

c) _____

2. With the exception of a monopoly – in which there is only one supplier of a product or service – **who** has more control over prices, the people who make the product or the people who buy it? Explain.

3. DeBeers has owned 85% of raw diamond mines worldwide, making it difficult for new diamond suppliers to enter the diamond market. Is this a natural barrier to entry or an artificial barrier to entry?

4. What happens when a company in a perfect competition situation raises its prices?

5. What happens when a company in a monopoly situation raises its prices?

6. Would a handful of lithium producers, which control all the lithium know on earth, be an example of an oligopoly or a monopoly?

7. What is the major benefit of competition among producers?

8. What has the government passed anti-trust laws? What are these laws meant to discourage?
