

✓ **Definitions**

According to **Leftwich** : "Monopolistic competition is a market situation in which there are many sellers of a particular product, but the product of each seller is in some way differentiated in the minds of consumers from the product of every other seller."

✓ According to **Lim Chong Yah** : "Monopolistic competition is a market situation where there are many producers but each offers a slightly differentiated product."

✓ **Features**

The main features of monopolistic competition are as under :

- (i) Large number of Buyers and Sellers
- (ii) Free Entry and Exit of Firms
- (iii) Production Differentiation
- (iv) Selling Cost
- (v) Lack of Perfect Knowledge
- (vi) Less Mobility))