Barick Chung

Employment:
2022-present Associate Professor (Teaching), Economics, CUSZSZ.
2014-2022 Senior Lecturer, School of Management and Economics, CUSZSZ.
2012-2014 Lecturer, School of Economics and Finance, University of Hong Kong.
2006-2012 Instructor, Department of Economics, CUHKHK.

Education:
2003-2007 Ph.D. (Business) Indiana University – Bloomington.
1987-1991 BS.Sc. (Economics) Chinese University of Hong Kong – Hong Kong.

Research paper:
Chung, Barick, "Two Level Price Discrimination and Vertical Relationship" (March 05, 2012). Available at SSRN: http://ssrn.com/abstract=1997070.

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ECO 2011 (Sections L07-10)
Basic Microeconomics

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Mankiw, Gregory, 2012, *Essentials of Economics*, p. 66:

Market: a group of buyers and sellers of a particular good or service

Competitive market: a market in which there are many buyers and many sellers so that each has a negligible impact on the market price

Perfectly competitive: (1) the goods offered for sale are all exactly the same, (2) the buyers and sellers are so numerous that no single buyer or seller has any influence over the market price

price maker.

If buyers and sellers has no influence over the market price, they are called **price takers**

Mankiw, Gregory, *Essentials of Economics*, 2012, p.256:

A **competitive market** is a market in which there are many buyers and sellers trading identical products so that each buyer and seller is a price taker

1) There are **many buyers and many sellers** in the market.

2) The goods offered by the various sellers are **largely the same**.

3) Firms can freely enter or exit the market.

Pindyck and Rubinfeld, p.280:

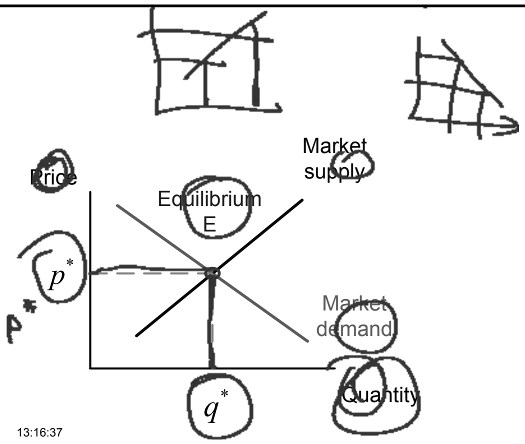
Firms are price takers: Firm have no influence over market price and thus takes the price as given.

The product is homogeneous: All firms sell an identical product. Examples of homogeneous product: agricultural products such as corn and apples, oil, gasoline, raw materials such as copper, iron, lumber, cotton, etc.

Free entry and exit: There are no special costs that make it difficult for a new firm either to enter an industry and produce, or to exit if it cannot make a profit.

Wheat market

Internet photo



Surplus vs. Shortage