***** Identify the four types of competition, explain the differences among them, and provide two examples of each.**

- There are four types of competition, Monopoly, Monopolistic, Oligopoly & Perfect competition.

  Monopoly, A monopoly is a type of market structure where there are only one seller and many buyers in the market. The market trades goods and services with no close substitute. Here, the seller is able to control prices.
    - Example: Facebook, Google, Microsoft, Railways, Natural gas, etc...

  Monopolistic competition, is a type of market structure where many companies are present in an industry and they produce similar but different products.
    - Example: Restaurants, Hair salons, Household items, Clothing, etc...

  Oligopoly means few sellers. In an oligopoly which a market or industry is dominated by a small number of large sellers or producers.
    - Example: Film and television production, Recorded music, Wireless carriers, Airlines etc...

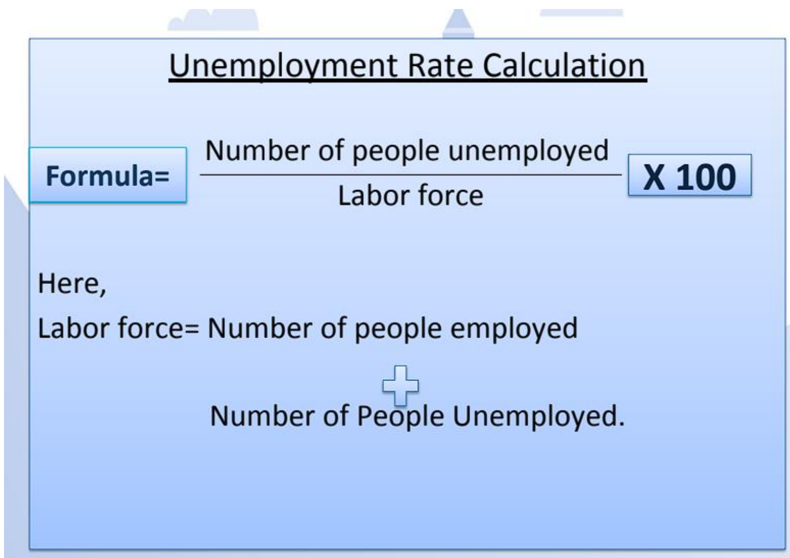
  Perfect Competition is a type of market structure where many companies sell similar products. In this case, prices are kept low through competition, and barriers to entry are low.
    - Example: Online shopping, Cock, Pepsi, 7up, etc...

***** How and Why Monopolies arise?**

- There are some reasons to why monopolies are arise,
  1. A single company having sole ownership or control over the resources needed to make the product. Since it is the only company who obtained the resources, it is also the only company to produce and supply the product.
  2. Government intervention. The government plays a big role in the monopoly market through regulation. For example, the government has given one person or company the exclusive right to sell some good or service.
  3. Natural Monopoly: A natural monopoly is a market where there are few firms but only one firm generates the most production. This may be from a lower cost of production which causes a lower selling price.
  4. And there are restricts new company to enter the market.

***** Types of Unemployment?**

- There are three main types of unemployment,
    1. Frictional Unemployment: Also called search unemployment, occurs when workers lose their current job and finding another or new job.
        - Example: High school or College students looking for jobs or individuals that were fired and are looking for a better job.
    2. Structural Unemployment: It occurs when certain industries decline because of long term changes in market conditions.
        - For example: Automobile workers replaced by robots.
    3. Cyclical Unemployment: Cyclical unemployment occurs with changes in economic activity over the business cycle, it also called demand-deficient unemployment. when individuals lose their jobs as a result of a downturn in aggregate demand (AD).
        - For example: Steel workers laid off during recessions.



**** Why is unemployment a problem for a country?**

- The unemployment rate is the proportion of unemployed persons in the labor force. Unemployment adversely affects the disposable income of families, erodes purchasing power, diminishes employee morale, and reduces an economy's output. Unemployment hinders the economic development of a country. The economic development of a country will not possible without educated and young people. That’s why unemployment is the biggest problem in a country.

Causes of Inflation

- The causes of inflation are listed as follows:

1. Growth of public expenditure.
2. Growth of private consumption and investment expenditures.
3. Tax cuts imposed by the government will increase the purchasing power.
4. Repayment of internal debt by the government increases the purchasing power.
5. Growth of exports will reduce the domestic supply of goods
6. and will lead to inflationary trend.
7. The increase in supply of currency and credit.
8. Transport bottlenecks also cause artificial scarcity and rise in prices.
9. Growth of population tend to raise the price level.
10. Deficit financing induces inflationary pressure.
11. Slow growth of agricultural output may increase the price level.
12. Slow growth of industrial production may increase the price level.
13. High price of imported goods may cause inflationary trend.

***** Measures Control of Inflation**

- Inflation has must to be controlled because it produces many disturbances economic, social and political consequences. It results in public dissatisfaction over economic conditions and lead to political disturbances.
- The methods of controlling inflation:

1. **Monetary measures**

   The most important method of controlling inflation is monetary policy of the Central Bank. Most central banks use high interest rates as a way to fight inflation. Following that step to control monetary inflation −

   - Bank Rate Policy
   - Cash Reserve Ratio
   - Open Market Operations

   Most commonly used measures to control inflation is controlling the money supply in the economy.

2. **Fiscal measures**

   Fiscal measures are another important method of measures to control inflation which include taxes, public loaning and government expenses. Some of the fiscal measures to control inflation are as follows −

   - Increase in savings
   - Increase in taxes
   - Surplus budgets

3. **Wage and Price Controls**

   Wage and price controls help in controlling wages as the price increases. Price control and wage control is a short-term method but is successful. Since in long run, it controls inflation along with rationing.

***** Consumer Price Index**

- The Consumer Price Index measures the overall change in consumer prices based on a representative basket of goods and services over time. The CPI is the most widely used measure of inflation, closely followed by policymakers, financial markets, businesses, and consumers.
- CPI are characterized by the following step:
    1. CPI is specific to a given area and an economic class of population.
    2. CPI is based on retail prices.
    3. There are three series CPIIW, CPIAL and CPINM for industrial worker.