Matthew Austin

Business Ethics

Wennemann

2017

38) Chpt. 4 FCS

In the past and even currently in the market there are unethical practices, the best way to avoid the reduce of the errors is to learn from the past. In the market there have been monopoly. A monopoly differs from a perfectly competitive markets because the other companies can freely trade as the one company has control over the prices and demand of the product. In monopoly markets, there is one dominant seller that controls all or most the markets products, and there are barriers to entry that keep other companies out. The seller has the power to set quantina dnp rcts of its products on the makers, thus they can extract monopoly profit by producing less than equilibrium quantity and setting price below demand curve but high above supply curve. These barries keep other competitor from the bring more product to the market. This barrie's of course is unethical and against the foundations that the free markets is based upon, as it states that anyone has the right to enter the market. The ethical fallacies that come with monopolies is the violating of capitalist justice by charging more for products than the producer knows they are worth. It violates utilitarianism by keeping resources out of monopoly market here shorted show more are need and diverting them to markets without such shares is inefficient. Lastly the its violate the market rights as its it forces other companies to stay out of the market thus forcing the buyers to purchase products they do not want forcing them to accept them which is against the ethical foundations of the free market.