

Perfectly Competitive Market

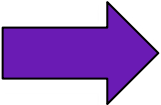
Many sellers

Firms sell identical products

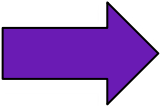
Established firms have no advantages over new firms

Perfect Information

Free Entry and Exit

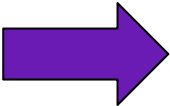


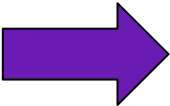
Buyers can not control the price



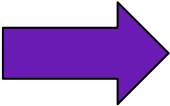
Sellers can not control the price

All firms sell at
the same price

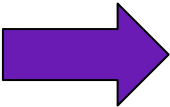




All firms sell at the
same price



All firms sell at the
same price



Many sellers

Many buyers

Perfectly Competitive Market

Many buyers → Buyers can not control the price

Many sellers → Sellers can not control the price

Firms sell identical products → All firms sell at the same price

Established firms have no advantages over new firms → All firms sell at the same price

Perfect Information → All firms sell at the same price

Free Entry and Exit → Many sellers

