

Perfectly Competitive Market

Many buyers

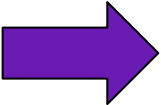
Many sellers

Firms sell identical products

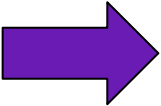
Established firms have no advantages over new firms

Perfect Information

Free Entry and Exit

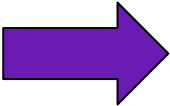


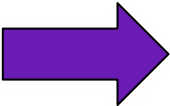
Buyers can not control the price



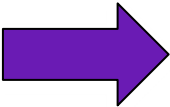
Sellers can not control the price

All firms sell at the
same price

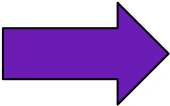




All firms sell at the
same price



All firms sell at the
same price



Many sellers



**Rules to ensure a “tug of
war” between equals**

Perfectly Competitive Market



Rules to ensure a “tug of war” between equals

Perfectly Competitive Market

