



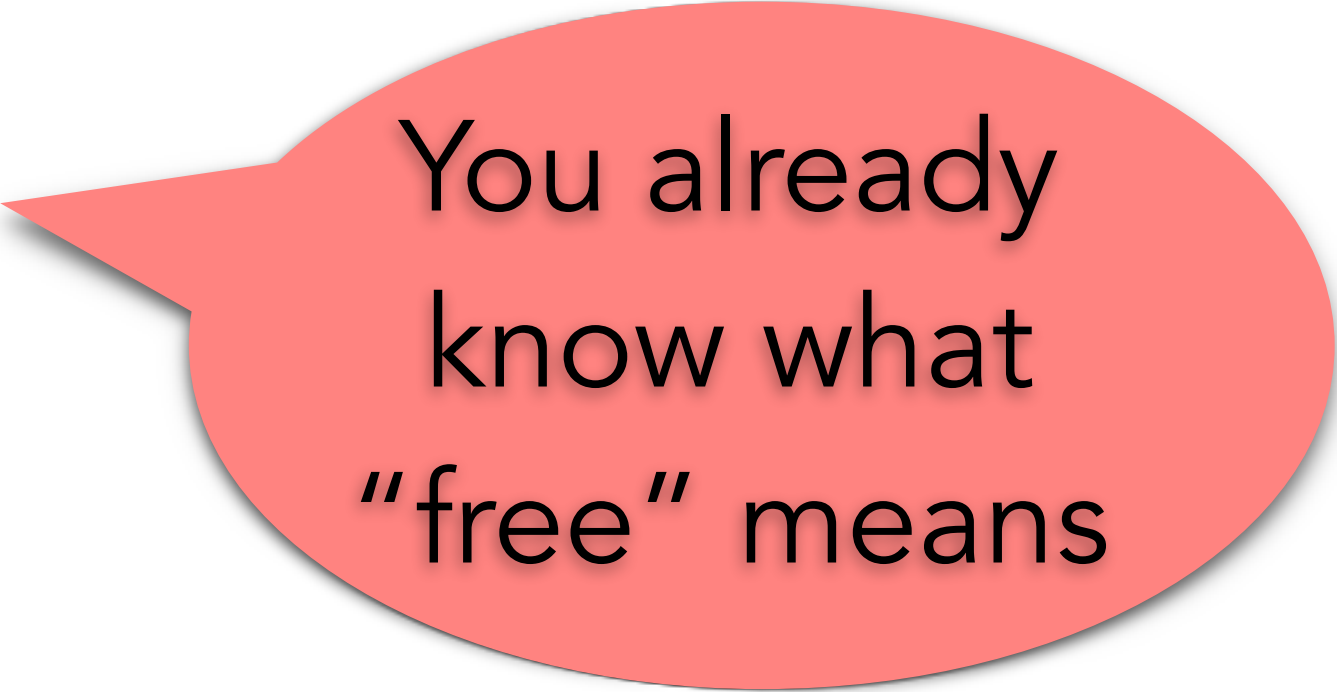
If the market is free

and


If the market is perfectly competitive

then

Market forces will result in the **best** price

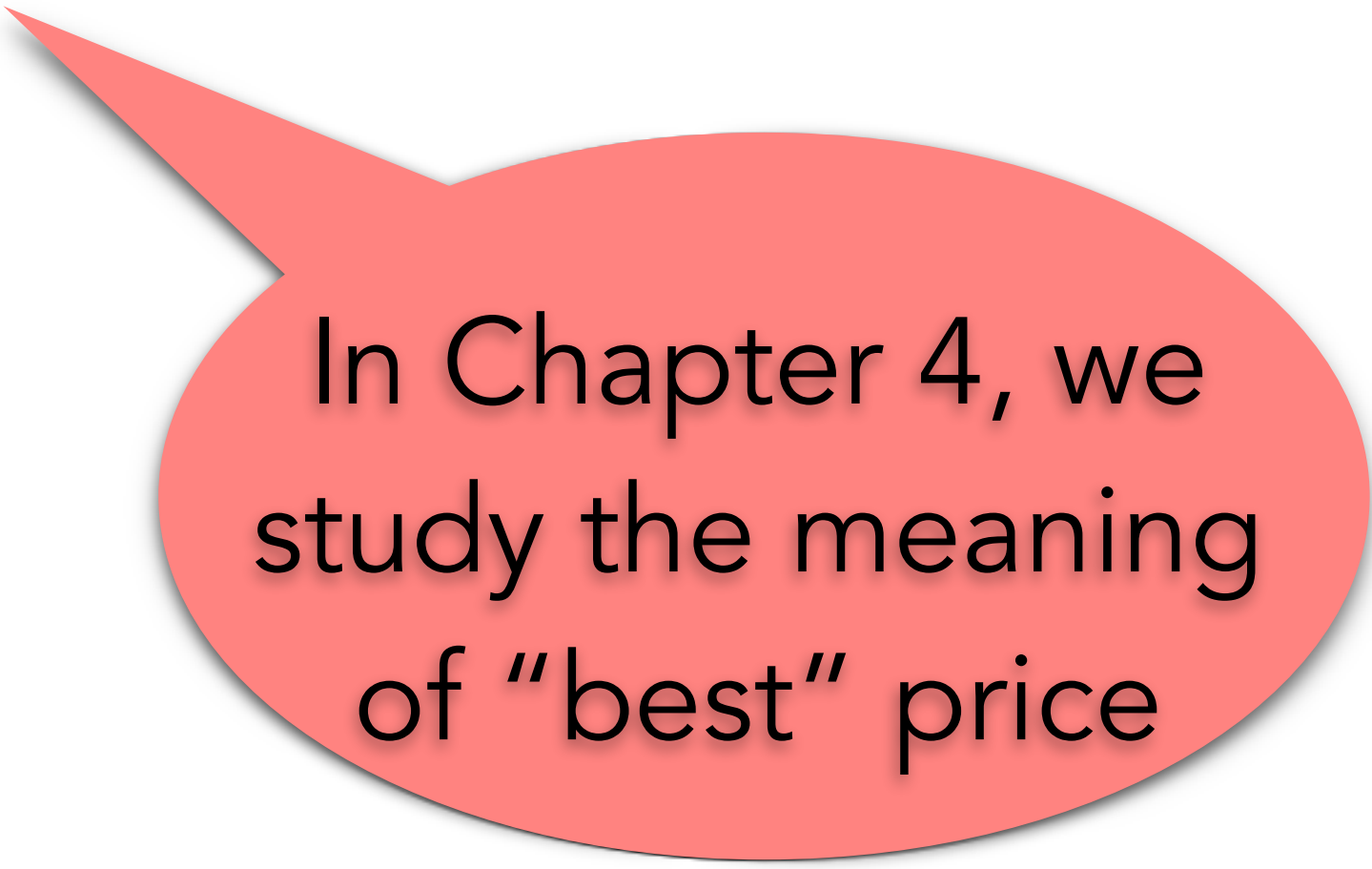


You already  
know what  
"free" means



We will study  
Perfect Competition  
in Chapter 10





In Chapter 4, we  
study the meaning  
of “best” price

M

a



**K**





F











S

a







**b**



S



a



d









o



n

9

h





W



**S**



n

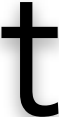
C



**m**



e





**b**

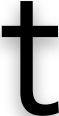


o



**S**









**b**

u





Q



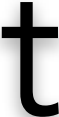
a

**m**



n

9



h









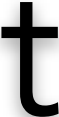
U





a











**S**





**p**



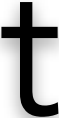




Q

u

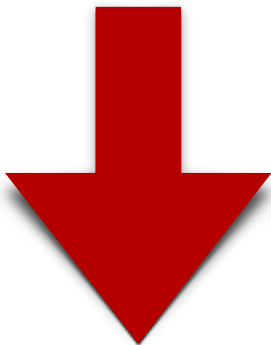
C













Market Forces are best at deciding how is  
Income to be distributed among the four  
factors of production

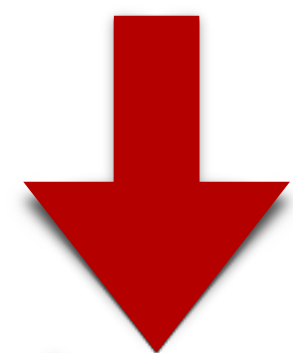
If the market is **free**  
and

You already  
know what  
"free" means

If the market is **perfectly competitive**  
then

We will study  
Perfect Competition  
in Chapter 10

Market forces will result in the **best** price



**Market Forces are best at deciding** how is  
Income to be distributed among the four  
factors of production

In Chapter 4, we  
study the meaning  
of "best" price



# When a Market is NOT "Competitive"



One Seller



Many Buyers