



Perfectly Competitive Market

Many buyers

**Many sellers**

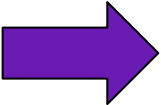
**Firms sell identical products**

**Established firms have no advantages over new firms**

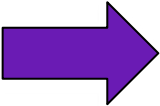
**Perfect Information**

# Free Entry and Exit



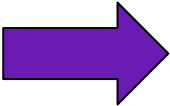


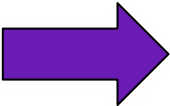
Buyers can not control the price



Sellers can not control the price

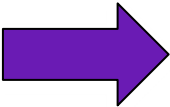
All firms sell at the  
same price



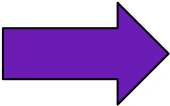


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All firms sell at the  
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**Many sellers**



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

# Perfectly Competitive Market



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

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