

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



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