

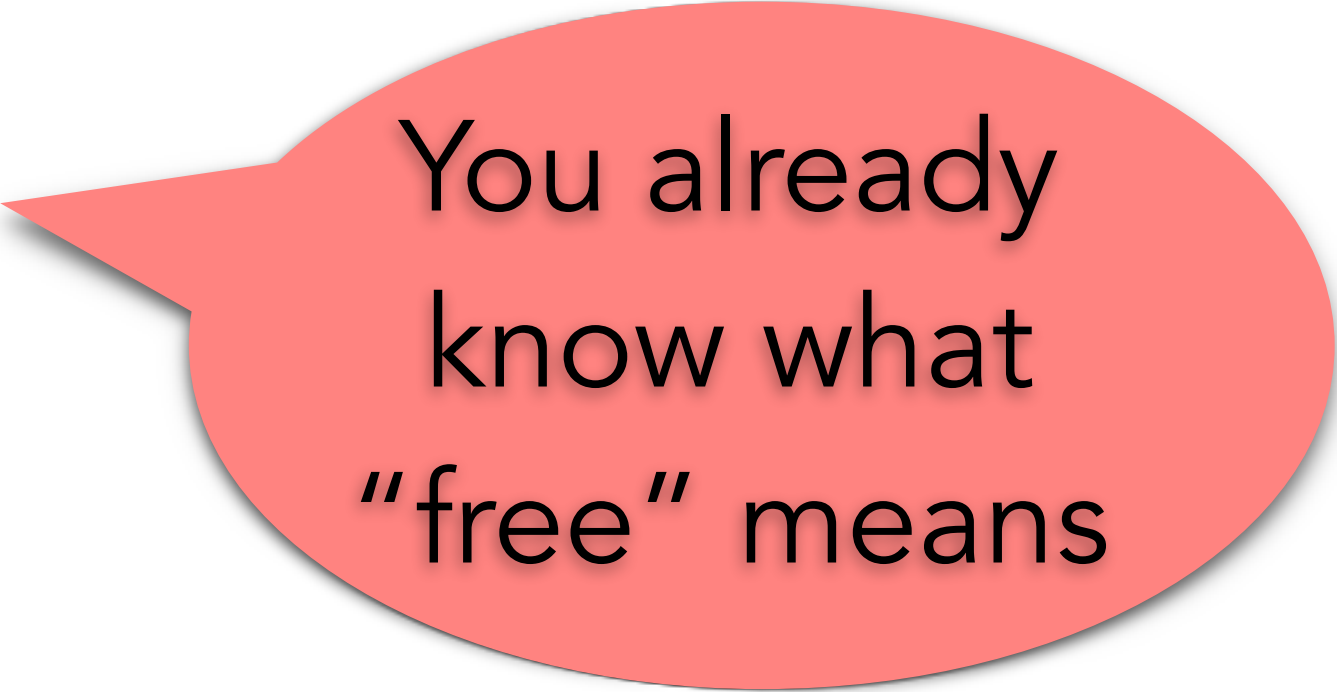
If the market is free

and


If the market is perfectly competitive

then

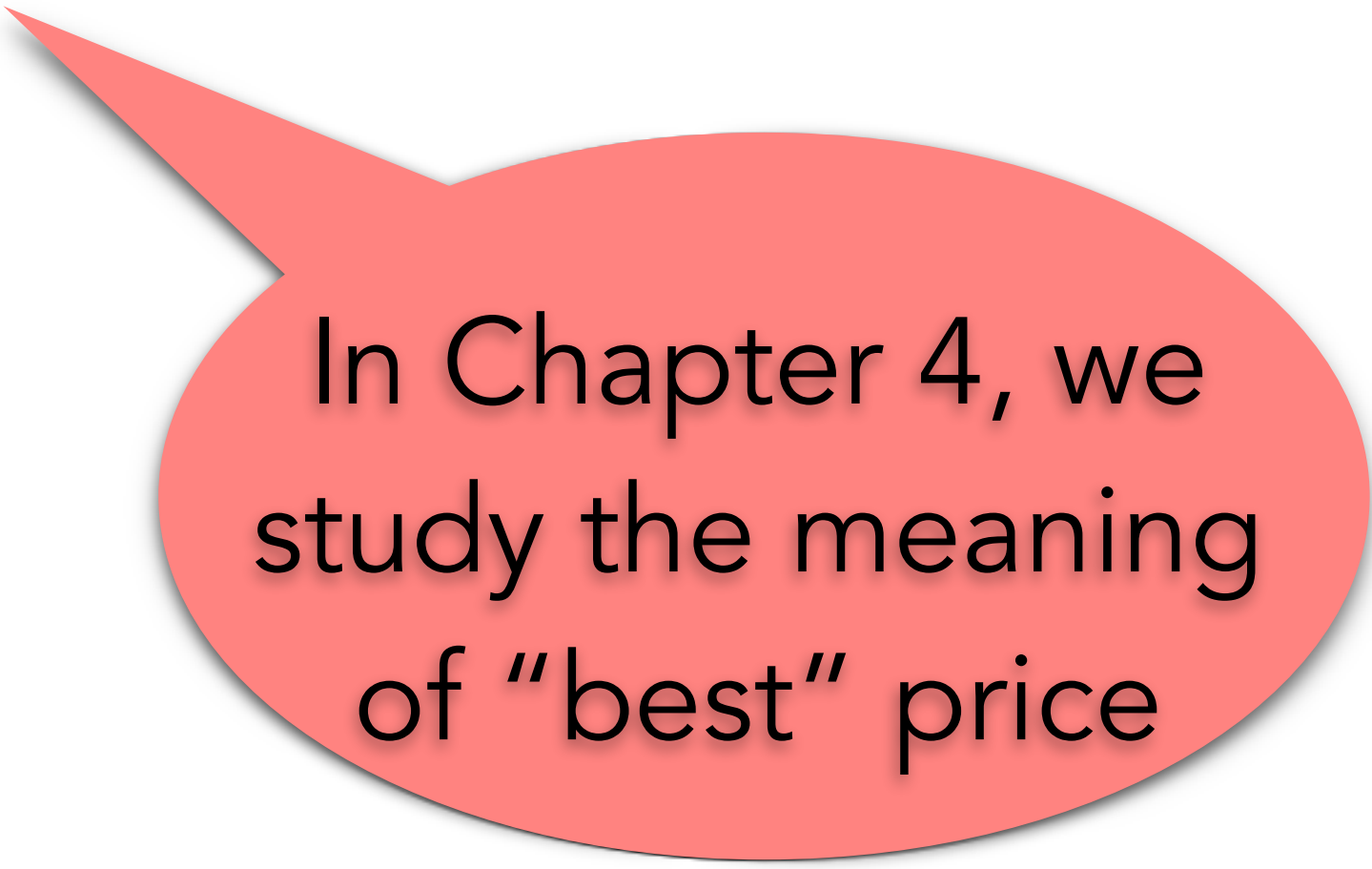
Market forces will result in the **best** price



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















S

a





b



S



a



o







o



n

9

h



W



S



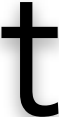
n





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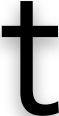
b



o



S







b

u



e

Q

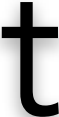
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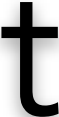
U





a









S





p

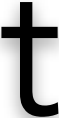




Q

u

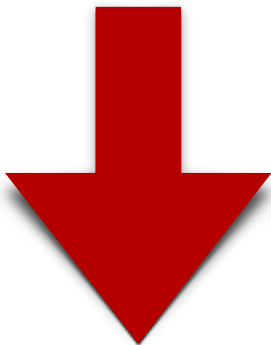












Market Forces are best at deciding how is
Income to be distributed among the four
factors of production

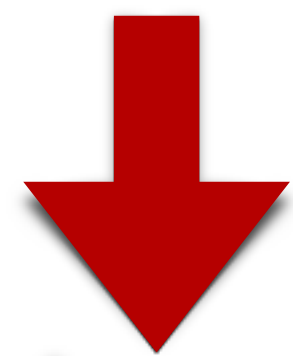
If the market is **free**
and

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

What makes a Market Perfectly Competitive?