

If the market is free

and

If the market is perfectly competitive

then

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

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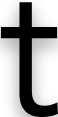
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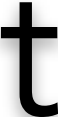
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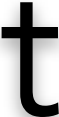


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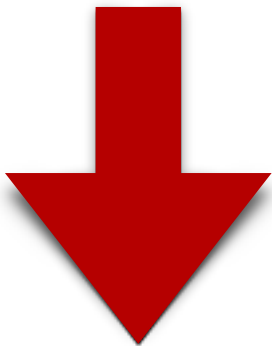



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What are “Market Forces” and how do these choose the best prices?

Market Forces are best to determine:
prices, wages, rents and interest rates

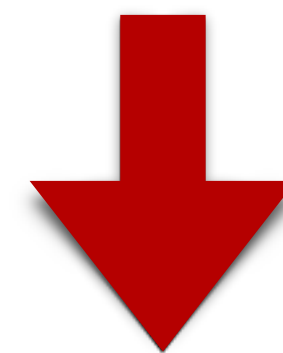
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Market Forces: The Supply and Demand Model

Price



Quantity

