

If the market is free

and

If the market is perfectly competitive

then

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

M

a



K















S

a





b



S

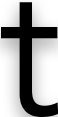
















m



n

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p





C

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W

a

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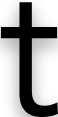
S





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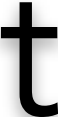
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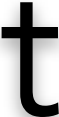


e



e

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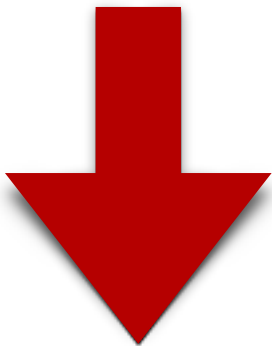



a



e

S





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

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

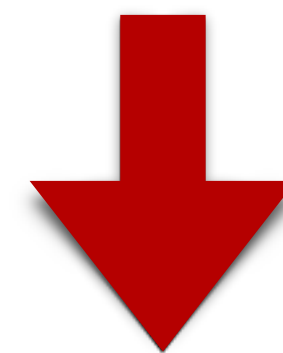
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Market Forces are described by the Supply and Demand Model

