

Oligopoly: Competition has a face and a name



A market dominated by a few firms

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- ◆ May **compete** (non-cooperative oligopoly) or may **cooperate** (cooperative oligopoly)

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- ◆ Are interdependent: when making decisions, must take into account the expected reaction of their competitors

- ◆ Are price setters, but their control over the price depends on the level of coordination among the firms in the oligopoly

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Examples of Oligopolies