

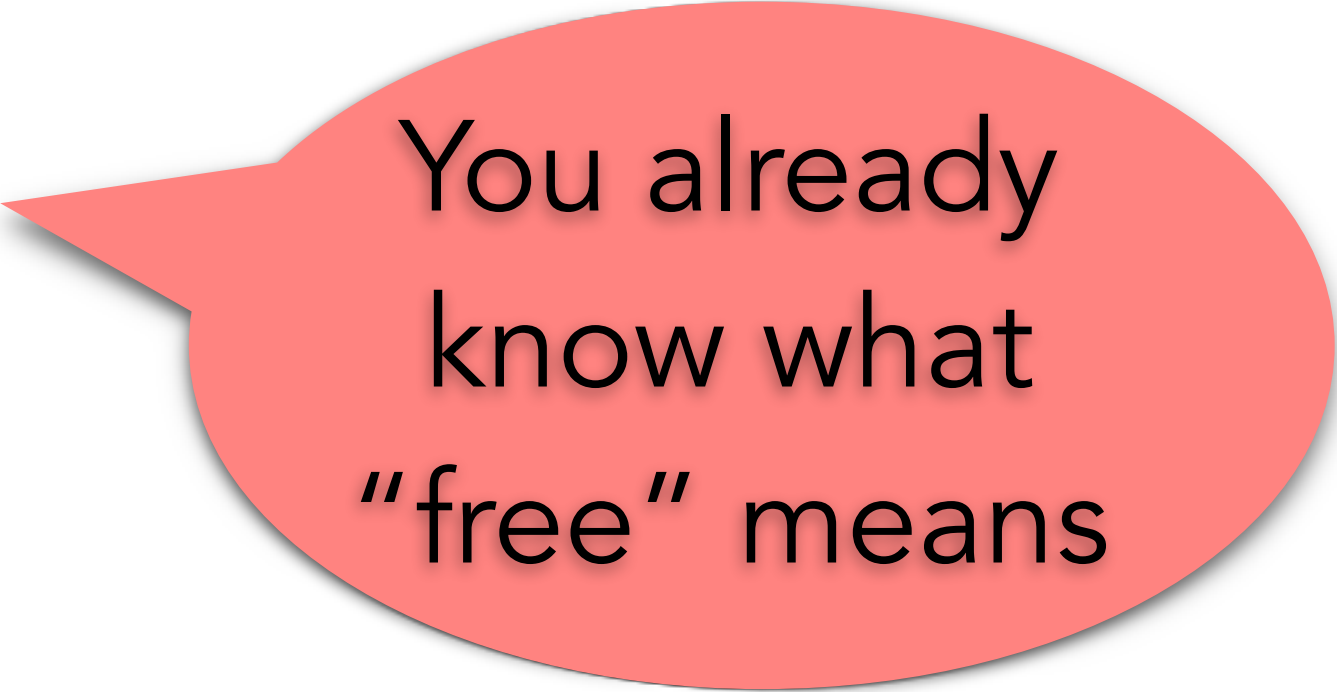
If the market is free

and

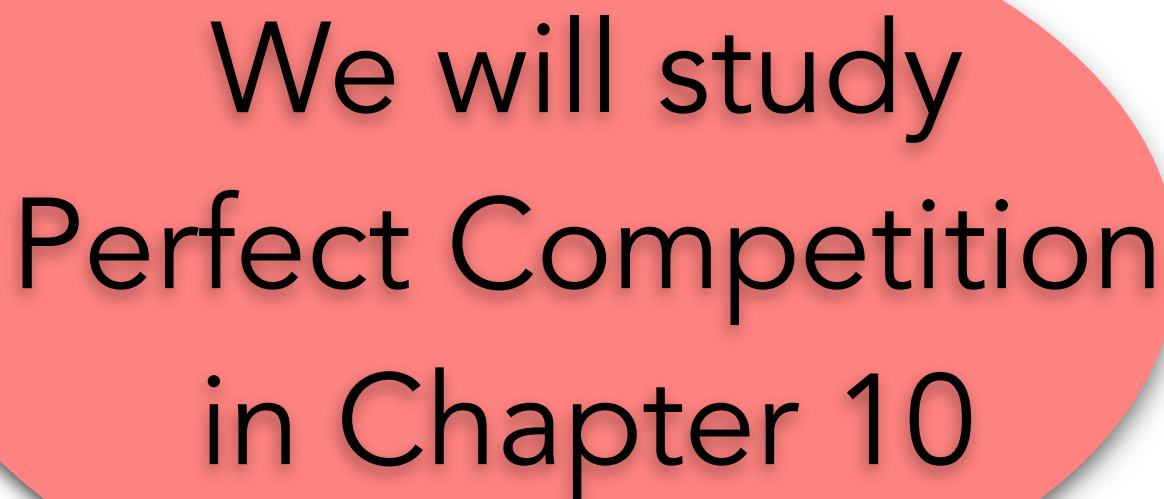
If the market is perfectly competitive

then

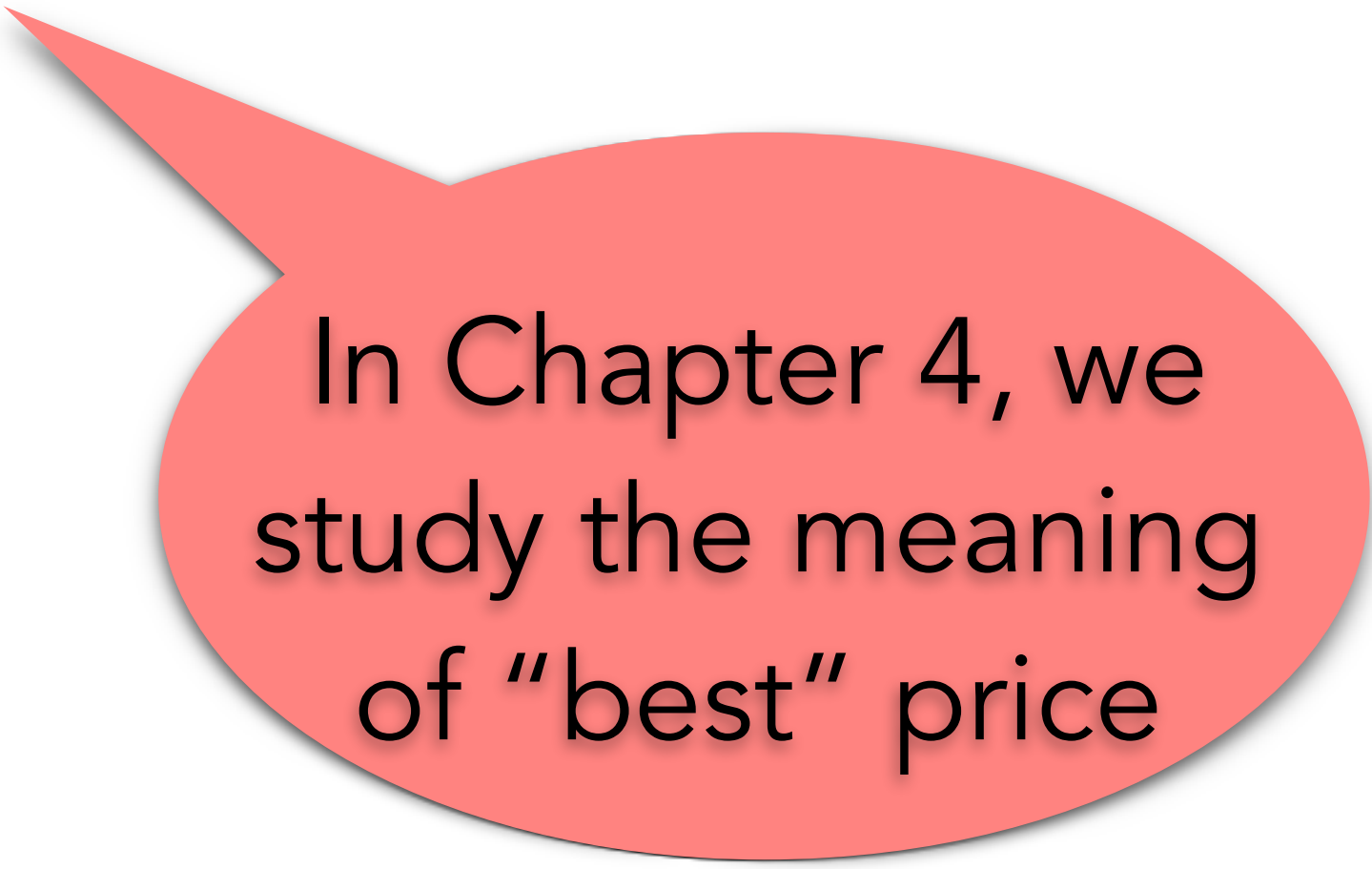
Market forces will result in the **best** price



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





F









S

a





b



S



a



o







o



n

9

h



W



S



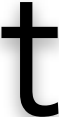
n





m

e





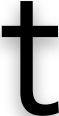
b



o



S







b

u





Q

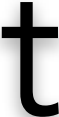
a

m



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9



h







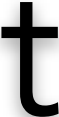
U





a









S





p

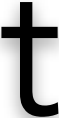




Q

u

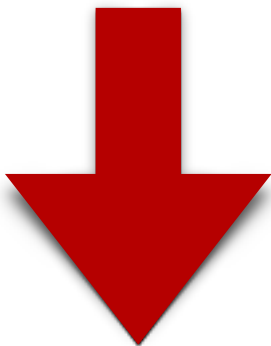












Market Forces are best at deciding how is
Income to be distributed among the four
factors of production

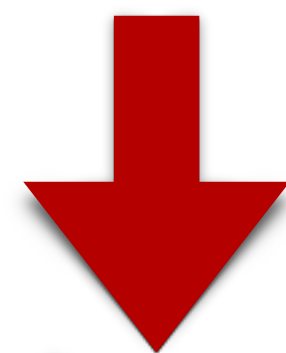
If the market is **free**
and

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

When a Market is NOT "Competitive"



One Seller



Many Buyers