

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









e







m



n

e



p





C

e

S



W

a

9

e

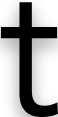
S





e

n



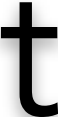
S

a

o



n

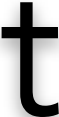


e



e

S



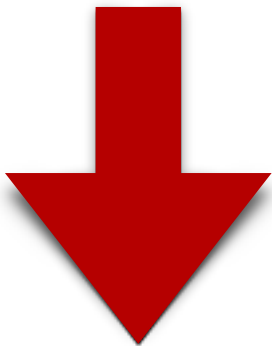



a



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

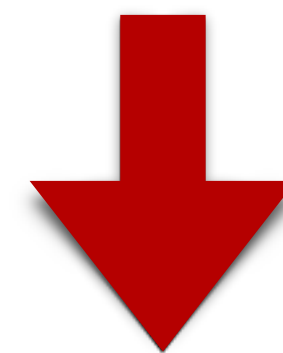
If the market is free

and

If the market is perfectly competitive

then

Market forces will result in the best price



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

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

Market Forces are described by the Supply and Demand Model

