



Oligopoly





**m**

2















m





2









**b**

**Y**

2







W

S







S



How many is "a few"?

10? 50? 1,000?

The number of firms has to be small enough to allow firms to:



• Coordinate (collude) if they are so inclined

- ◆ Watch closely actions taken by their competitors in order to take defensive reaction

Few Firms  That There are significant barriers to entry

A market dominated by a few sellers

# Oligopoly

A market dominated by a **few** sellers

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Few Firms

Implies that

There are significant **barriers** to entry

# Oligopoly: Competition has a face and a name