

### Many buyers

#### Many sellers

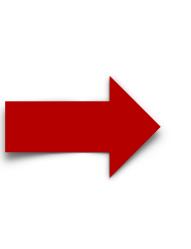
# Firms sell identical products

#### Established firms have no advantages over new firms

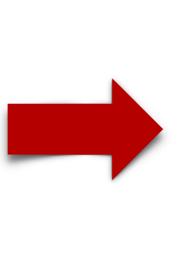
# Buyers know all available prices

### Free Entry

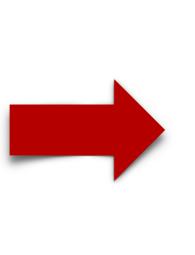
#### One or few sellers can not control the price



# What makes a Market Perfectly Competitive?

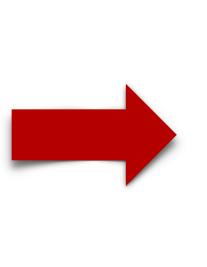


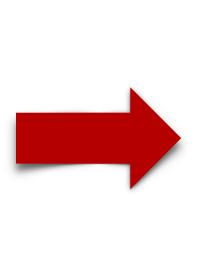
# One or few buyers can not control the price



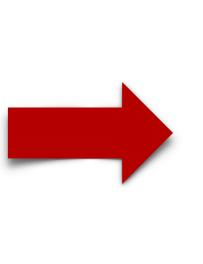
# One or few sellers can not control the price

# All firms must sell at the same price

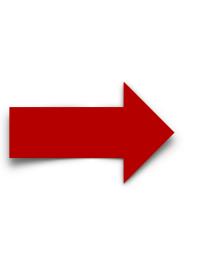




#### All firms sell at the same price



# All firms sell at the same price



### Many sellers



# Rules to ensure a "tug of war" between equals

# Rules to ensure a "tug of war" between equals



Buyers

Sellers

# Perfectly Competitive Market

