

Oligopoly





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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

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

Implies that

There are significant **barriers** to entry

Oligopoly: Competition has a face and a name