

A MONOPOLISTICALLY COMPETITIVE MARKET market is a type of market that has similar but not identical goods .

CHARACTERISTICS

- 1.The goods are similar but not identical.A monopolistically competitive market sells similar products and each product is slightly different from the others.The products are differentiated either through branding, colouring or even though using a different logo.
- 2.A huge number of small firms.A monopolistically competitive industry contains a large number of small firms, each of which is relatively small compared to the overall size of the market.
- 3.Easy access and exit from the market.The resources are relatively unrestricted by government rules and regulations, start-up cost, or other substantial barriers to entry.
- 4.Wider Knowledge of the market by the buyers.In a monopolistically competitive market, buyers do not know everything, but they have relatively complete information about alternative prices.

An example of a monopolistically competitive market is A Market for Soaps Company.

An increase in price by a competitor will make him/her lose all the customers to other Competitors and vice versa

A MONOPOLISTIC MARKET is a market where services and goods are offered by only one .

CHARACTERISTICS

- 1.The goods are unique. In a monopolistic market, a firm's product or service is unique, with no near substitutes. Monopoly traders own a patent on a single product that prevents other companies from producing or selling a close equivalent.
- 2.Presence of sole traders.In a monopolistic market, a single seller or corporation owns the whole market and sells items that have no close substitutes
- 3.There is a barrier to entry and exit.

A high barrier to entry and exit for new traders is prominent in a monopolistic market. Government licensing, copyrights and patents, resource ownership, and high beginning costs are all hurdles in a monopolistic market.

- 4.Little knowledge of the market by the buyers.In a monopolistic market, the buyers have less knowledge of the goods and their prices.

An example of a Monopolistic market is A grocery store.In a monopolistic market, a trader can raise its prices without losing all its customers because sellers are differentiated in certain niches.

A PERFECTLY COMPETITIVE MARKET market is an ideal market distinguished by many independent buyers and sellers of identical products and services with static prices due to minimal entry barriers and higher competition.

CHARACTERISTIC

- 1) Homogenous products.All the firms in a perfectly competitive market produce homogeneous products.
- 2) large number of buyers and sellers.There exist a large number of buyers and sellers in a perfectly competitive market.
- 3)Free exit and entry of firms.In the long run there is free entry and exit of firms. However, in the short run some fixed factors obstruct the free entry and exit of firms
- 4)) Perfect knowledge among buyers and seller.Both buyers and sellers are fully aware of the market conditions, such as price of a product at different places.

An example of a Perfectly competitive market is an Online shopping.

A decrease in the prices will result to a huge demand of the online products and an increase in the prices will result to a huge decrease in the demand of the products.

THE DIFFERENCES ARE IN ORDER OF THE NUMBERS.

