

**YouTube Title:** “Apple iPad: Steve Jobs Keynote Jan 27 2010 Part 1” <http://www.youtube.com/watch?v=OBhYxj2SvRI>  
**Video Length:** 6:00 minutes

**Chapter 22:** The Competitive Firm, p. 484

**Topic:** Market Structure, pg. 489

**Key Terms:** Competition, innovation, competitive pressure, competitive profit squeeze, entrepreneurship

**Learning Objective 3:** How a competitive firm maximizes profit.

### **Economic Application**

The introduction of Apple’s iPad is a model example of innovation due to competitive pressure. The quality of any product often depends upon the degree of competition in the marketplace. Although Apple isn’t a perfectly competitive firm, dozens of firms within the industry continue to nip at Apple’s heels, attempting to grab a piece of the ever-expanding computer market. The introduction of the iPad claims to create a new technologically advanced system with increased browsing, email, digital (photo, video, music, book), and gaming capabilities.

### **Multiple-Choice Question**

High prices and high profits in a competitive market generally lead to

- a) new suppliers entering the market.
- b) the market supply curve shifting to the right.
- c) prices sliding down the market demand curve.
- d) significant product and technological innovation.
- e) all of the above.

### **Discussion Question**

Why has the innovation in computer advancements by Apple been so significant?