

YouTube Title: "Oligopoly" <http://www.youtube.com/watch?v=g3bweXzggtc&feature=related>
Video Length: 1:31 minutes

Chapter 25: Oligopoly, p. 559

Key Terms: Oligopoly, market power, monopoly, profit-maximization rule, barriers to entry

Learning Objective 5: Discuss the pros and cons of monopoly structures.

Summary

This video features one woman asking another woman to repeat the definition of an oligopoly.

Economic Application

In this clip, two women discuss the characteristics of oligopolies where several firms (rather than one or two) control the market for a good or service.

Multiple-Choice Question

Which of the following is NOT characteristic of oligopolists?

- a) Maximize profits at $MR = MC$.
- b) Price setters
- c) Sell dissimilar products
- d) Protected by high barriers to entry
- e) Can maintain economic profits

Discussion Question

Why might oligopolies choose to avoid price competition?