

Section 3: Guided Reading and Review

Monopolistic Competition and Oligopoly



A. As You Read

As you read Section 3, fill in the information requested on the charts.

Monopolistic Competition Market Structures	
Defining Conditions	1. _____ 2. _____ 3. _____ 4. _____
Forms of Nonprice Competition	5. _____ 6. _____ 7. _____ 8. _____
Price-Output Relationship	9. _____
Curbs on High Profits	10. _____ 11. _____
Consumer Advantages	12. _____
Oligopoly	
Conditions Encouraging Formation	13. _____ 14. _____ 15. _____
Practices that Concern Government	16. _____ 17. _____ 18. _____

B. Reviewing Key Terms

Read the statements below. In the space provided, write T if the statement is true or F if it is false.

- ____ 19. Firms selling identical products create *monopolistic competition*.
- ____ 20. Providing better customer service, introducing a new lipstick color, and sophisticated advertising are examples of *nonprice competition*.
- ____ 21. *Price fixing* is an outcome of collusion.
- ____ 22. A *cartel* is most successful when each member produces as much product as possible.