

5.12**Conclusion**

Different forms and characteristics of different markets have been studied in this chapter. Market, in general, is divided into perfect market and imperfect market. Imperfect market consists of Monopoly, Monopolistic Competition, Duopoly, Monopsony etc. In the long-run, firms earn normal profit. Under imperfect market, the sellers would manage to reap larger profits depending upon the degree of monopoly power.

Glossary

Equilibrium A situation or a state at which a firm seeks to rest.

Equilibrium Price The price at which the quantity demanded of a good equals quantity supplied.

Firm A single organization which employs factors of production to produce goods and sells.

Long run The period of time during which all factors of production are variable.

Marginal cost Addition made to total costs already incurred by producing one more unit of the commodity.

Marginal revenue Addition made to total revenue already incurred by selling one more unit of the commodity.

Monopolist A single-seller who controls entire or major part of output, which has no close substitutes.

Price-maker The power in the firm to set the price for goods in the market.

Price-taker The feature of a firm to accept the price fixed in the industry.