

One more thing about market structures: can firms make economic profit in the long run.?

monopoly, oligopoly? yes

- barriers to entry.

perfect comp., monop. comp? No.

- free entry & exit in long run

monopolistic competition:

— firms are not price-takers.

(in common with monopoly)

— free entry/exit in long run (in common with perfect competition)

— many firms (in common with perfect comp).