

M C - R & U - Very Short - Info & Con

Q.1. Define monopolistic competition.

Ans. Monopolistic competition is a form of the market with many buyers and sellers, where differentiated product is sold with a partial control over price.

Q.2. What is product differentiation?

Ans. Product differentiation is a situation when different producers in the market try to differentiate their product (with respect to size, weight, packing, etc.) with a view to attracting the buyers and exercising partial control over price.

Q.3. What is the shape of demand curve under monopolistic competition?

Ans. Demand curve under monopolistic competition is downward sloping.

Q.4. What can you say about the number of buyers and sellers under monopolistic competition?

Ans. The number of buyers and sellers of a commodity is very large under monopolistic competition.

Q.5. What will you call the market which has characteristics both of monopoly and perfect competition?

Ans. Monopolistic competition.

Q.6. Under which market form product differentiation is widely practiced?

Ans. Product differentiation is widely practiced under monopolistic competition.

Q.7. Name the basic characteristic which makes monopolistic competition different from perfect competition.

Ans. Product differentiation is the basic characteristic which makes monopolistic competition different from perfect competition.

Q.8. Give two examples of monopolistically competitive market.

Ans.

- i. Market for toothpastes in India.

ii. Market for soaps in India.