



The Imperfect Markets Showdown | Lesson Plan

What role does competition play in shaping how markets work and who benefits?

Students will understand that market structures vary in their level of competition, and that imperfect competition influences efficiency, pricing, and consumer options in the real economy.

Learning Objectives:

- Define key market structures — monopoly, oligopoly, and monopolistic competition — and related terms such as barriers to entry and cartels.
- Identify real-world examples of different market structures.
- Distinguish between types of imperfect competition based on the number of sellers, product differences, and price control.
- Explain how competition (or lack of it) affects consumer choice and pricing.
- Analyze real-world industries to determine which market structure they best represent.

Key Vocabulary:

- **Imperfect Competition:** A market where sellers have some control over prices and products aren't identical. Most real-world markets fall into this category.
- **Monopoly:** A market with one seller who controls supply and can set prices. There are no close substitutes, so the seller is a price-maker.
- **Natural Monopoly:** A legal monopoly where one company efficiently provides a product or service for everyone, often keeping prices lower
- **High Barriers to Entry:** Obstacles (like huge costs, exclusive resources, or government rules) that make it hard for new businesses to enter a market.
- **Oligopoly:** A market dominated by a few large firms that closely watch, and often copy, each other's moves.
- **Cartel:** An illegal agreement among businesses in an oligopoly to fix prices, divide markets, or restrict supply to boost profits.
- **Monopolistic Competition:** A market with many sellers offering similar but not identical products, where businesses compete through branding, quality, and marketing.

Educational Standards: CCRA.R.7, CCRA.R.10, CCRA.W.2, CCRA.W.4, CCRA.W.7, CCRA.SL.1, CCRA.SL.2, CCRA.L.6

Academic Subject Areas: Economics,

What You'll Need

- Video: *Ca\$h Cour\$e: The Imperfect Markets Showdown* (Watch [Here](#))
- Worksheet: *Ca\$h Cour\$e: The Imperfect Markets Showdown* (Click [Here](#))
- Classroom whiteboard and dry-erase markers (or use a technology solution if available).

Scan to watch episode:



Lesson Plan (50 mins.)

Warm-Up: (10 mins.)

1. Introduce the lesson with a quick analogy: Imagine you live in Cupcake Town. At first, there's only one bakery — Sweet Success — which only sells chocolate cupcakes. They're subpar, and they cost \$10 each. But you have no other choice, so you buy them anyway. A year later, a few more bakeries open. Prices drop to \$5, and each shop starts getting creative: one adds sprinkles, one offers gluten-free, another gives out punch cards for free cupcakes. Not only that, but they get better and better because now the shops want your business.
2. Ask the class: What happened here?
3. Explain to students that today's lesson will focus on how different kinds of competition shape the way markets work — who sets prices, what choices consumers have, and how businesses compete.
4. Introduce the following key terms on the board, and provide the definition and an example using the cupcake scenario (ask students to write the definitions down in their notebooks):
 - **Imperfect Competition:** A market where some sellers have more control over prices and products than others.
 - *Example:* In Cupcake Town, not all bakeries are equal — some have better recipes, better locations, or better prices, so customers naturally prefer one place over another.
 - **Monopolistic Competition:** A market with many sellers offering similar but not identical products.
 - *Example:* Several cupcake shops sell cupcakes, but each one is a little different — one adds sprinkles, one has gluten-free cupcakes, and one gives loyalty cards.
 - **Monopoly:** A market with only one seller who controls price and supply.
 - *Example:* At first, Sweet Success is the only cupcake shop in town. They sell \$10 cupcakes because there's no competition.
 - **Oligopoly:** A market controlled by a few large sellers that watch and respond to each other's moves.
 - *Example:* If only three big cupcake businesses dominate Cupcake Town, and one adds blue frosting, the others quickly follow so they don't lose customers.
 - **Cartel:** When businesses in an oligopoly secretly agree to fix prices or limit supply instead of competing.
 - *Example:* Three major cupcake businesses in town secretly agree to charge \$8 per cupcake, ensuring customers have no cheaper option and they get the profits.
 - **High Barrier to Entry:** Obstacles that make it hard for new businesses to compete.

- *Example:* Sweet Success owns all the ovens and baking supplies in Cupcake Town, so no one else can open a bakery without buying from them.
5. Have students come up with a few examples of their own to test understanding.
 6. Transition to today's enduring question and explain that this question will help guide their understanding of today's lesson: *What role does competition play in shaping how markets work and who benefits?*
 7. Once students are familiar with the basic terms and ideas, explain that they'll now watch a short video that brings these concepts to life. The video uses humor and visual storytelling to show how different types of market competition—like monopolies, oligopolies, and monopolistic competition—affect prices, consumer choices, and business behavior in the real world.
 8. Let students know they'll be expected to discuss and apply what they see, so they should watch carefully for moments that connect to the vocabulary they just reviewed.

Watch and Discuss: (20 mins.)

1. Show the *Ca\$h Cour\$e: The Imperfect Markets Showdown* video to the class.
2. Note to teachers: watch straight through or pause at key moments to clarify different kinds of markets.
3. After the video, ask the following discussion and comprehension questions:
 - How would you explain what imperfect competition is in your own words?
 - How does competition change from a monopoly to an oligopoly to monopolistic competition?
 - Why are high barriers to entry important in markets like monopolies and oligopolies?
 - What's one way businesses in monopolistic competition try to stand out from each other?
 - What makes a *natural monopoly* different from an illegal monopoly?
 - How do different types of competition affect what consumers pay and what choices they have?
 - Why do you think most real-world markets aren't perfectly competitive?
4. Give each student the "Cash Course: The Imperfect Markets Showdown" Worksheet and allow them to complete it independently or in pairs.

Wrap-Up: (20 mins.)

1. After students finish the worksheets, go over selected questions together to check their work. Ask students to volunteer their responses to the Application question.
2. Wrap-Up Prompt (Board or Exit Ticket)
 - The narrator in *The Great Market Showdown* says, "None of you win."
 - What do you think that means about how competition works in real life? Write one or two sentences explaining your answer.

3. Collect Worksheets: Use the completed worksheet as a way to assess comprehension and mastery of the lesson objectives.

Don't have time for the full lesson? Quick Activity (10-15 mins.)

Distribute the worksheet and allow students to complete it while they follow along with the video. Or, have students watch the video at home and use the worksheet as a quick quiz the next day in class.