The Imperfect Markets Showdown | Worksheet

Matching

Match the definition in Column A with the term in Column B.

Column A
- __________ One seller controls price and supply.
- __________ Businesses illegally agree to fix market prices.
- __________ Many sellers offer similar products.
- __________ Difficult conditions for new businesses to compete.
- __________ A market where sellers influence products and prices.
- __________ A few big sellers copy each other to control the market.

Column B
a. Imperfect Competition
b. Monopolistic Competition
c. Monopoly
d. Oligopoly
e. Cartel
f. High Barrier to Entry

Multiple Choice

1. **What gives a monopoly its power to set prices?**
    a. Government rules that prevent competition
    b. Having many competitors
    c. No close substitutes and control of supply
    d. Selling lower-quality products
2. **What strategy allows monopolies to charge different people different prices?**
    a. Price discrimination
    b. Brand loyalty
    c. Product differentiation
    d. Price wars
3. **In monopolistic competition, what helps businesses stand out from others?**
    a. Having no competitors
    b. Controlling all resources
    c. Setting identical prices
    d. Brandings, quality, or location
4. **Which of the following best describes the difference between a monopoly and monopolistic competition?**
    a. A monopoly has many sellers; monopolistic competition has one.
    b. A monopoly has one seller with no substitutes, while monopolistic competition has many sellers with similar products.
    c. Both have many sellers, but monopolistic competition products are identical.
    d. Both have only one seller, but monopolistic competition allows more advertising.

Application

Pick one of the industries below. Identify what type of market structure it best fits — monopoly, oligopoly, or monopolistic competition — and explain why in 3–4 sentences. Use examples or reasoning to support your answer.

Choose from:
- Fast food restaurants

Scan to watch episode:

- Cell phone service providers
- Local utility company (water, electricity, etc.)
- Streaming services
- Coffee shops
- Airplane manufacturers

Word Bank (use at least 3 terms in your answer)

monopoly • oligopoly • monopolistic competition • price • competition • branding • few sellers • many sellers • barriers to entry • product differences • control • consumers

The Imperfect Markets Showdown | Answer Key

Matching

Match the definition in Column A with the term in Column B.

Column A	Column B
c. One seller controls price and supply.	a. Imperfect Competition
e. Businesses illegally agree to fix market prices.	b. Monopolistic Competition
b. Many sellers offer similar products.	c. Monopoly
f. Difficult conditions for new businesses to compete.	d. Oligopoly
a. A market where sellers influence products and prices.	e. Cartel
d. A few big sellers copy each other to control the market.	f. High Barrier to Entry

Multiple Choice

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Sample answer:
Fast food restaurants show monopolistic competition because there are many sellers offering similar but slightly different products. Each chain tries to stand out through branding, menu choices, and advertising.

Guidance for Grading:
- [ ] Student correctly identifies the **market type** for their chosen industry.
- [ ] Student provides a **clear and accurate explanation** including **at least two characteristics** related to that market type.
- [ ] Student connects the explanation to a **real-world example or detail.**
- [ ] Writing is **clear and complete.**