

# GUIDED READING Activity 7-1

For use with textbook pages 169–177

## **C**OMPETITION AND MARKET STRUCTURES

### RECALLING THE FACTS

**Directions:** Use the information in your textbook to answer the questions. Use another sheet of paper if necessary.

1. What is the role of government under Adam Smith's laissez-faire philosophy?  
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 \_\_\_\_\_
2. Define market structure. \_\_\_\_\_  
 \_\_\_\_\_
3. What are the five major conditions that characterize perfectly competitive markets? Explain each condition briefly.
  - a. \_\_\_\_\_  
 \_\_\_\_\_
  - b. \_\_\_\_\_  
 \_\_\_\_\_
  - c. \_\_\_\_\_  
 \_\_\_\_\_
  - d. \_\_\_\_\_  
 \_\_\_\_\_
  - e. \_\_\_\_\_  
 \_\_\_\_\_
4. List the three imperfect competition market structures:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
5. Name and describe the four different types of monopolies.
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_