

Classification of market

ON BASIS OF PLACE	ON BASIS OF TIME	ON BASIS OF COMPETITION
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Local market	Very short period	Perfect competition
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National Market	Short period	Imperfect competition
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International market	Long period	
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Very long period		
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On the basis of Competition

PERFECT COMPETITION	IMPERFECT COMPETITION
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<i>'Perfect competition prevails when the demand for the output of each producer is perfectly elastic' — Mrs. Joan Robinson.</i>	A type of Market showing some but not all the features of a competitive market.
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Number of sellers and buyers is very large. All buyers and sellers are engaged in buying and selling. Both buyers and sellers possess perfect knowledge of market.	Consists of three types
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| 1) Free entry and free exit | Monopoly |
| 2) Homogeneous product | Oligopoly |
| 3) Large number of sellers and buyers | Monopolistic Competition |
| 4) Single price | |
| 5) Perfect knowledge of market | |
| 6) Perfect mobility of factors of production | |
| 7) Absence of transport cost | |
| 8) No government intervention | |

MONOPOLY

DEFINITION

