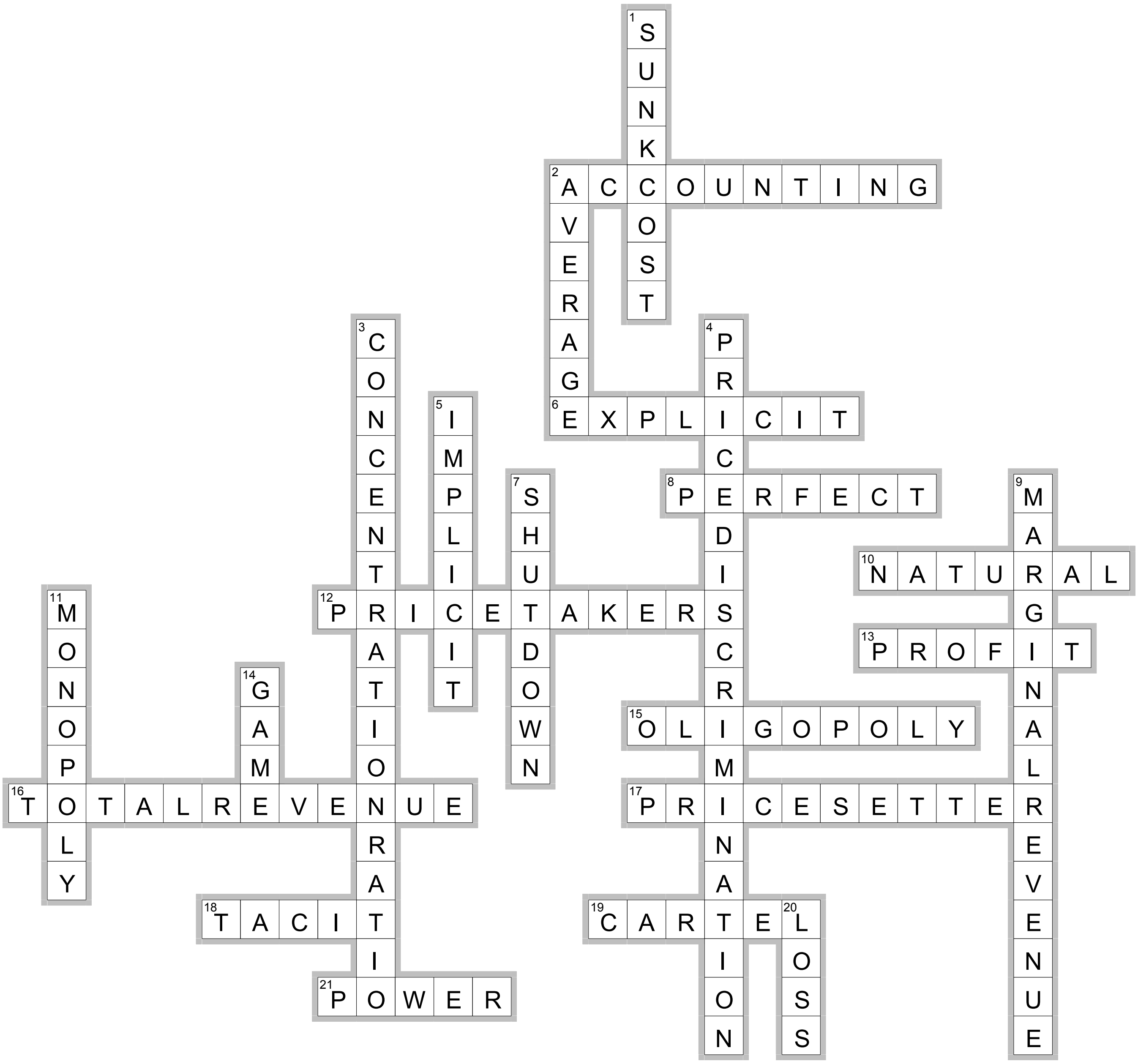
CROSSWORDS- MARKET STRUCTURES-KEY



CROSSWORDS- MARKET STRUCTURES-KEY

Across

2. **ACCOUNTING** profit ; Profit computed using only explicit costs.
6. **EXPLICIT**—costs; Charges that must be paid for factors of production such as labor and capital.
8. **PERFECT**—competition; Model of the market based on the assumption that a large number of firms produce identical goods consumed by a large number of buyers.
10. **NATURAL**—monopoly; A firm that confronts economies of scale over the entire range of outputs demanded in its industry.
12. **PRICE TAKERS**—Individuals or firms who must take the market price as given.
13. **PROFIT**—The difference between price and average total cost.
15. **OLIGOPOLY**—Situation in which a market is dominated by a few firms, each of which recognizes that its own actions will produce a response from its rivals and that those responses will affect it.
16. **TOTAL REVENUE**—A firm's output multiplied by the price at which it sells that output.
17. **PRICE SETTER**—A firm that sets or picks price based on its output decision.
18. **TACIT**—collusion; An unwritten, unspoken understanding through which firms agree to limit their competition.
19. **CARTEL**—Firms that coordinate their activities through overt collusion and by forming collusive coordinating mechanisms
21. monopoly **POWER**; The ability to act as a price setter.

Down

1. **SUNK COST**—An expenditure that has already been made and that cannot be recovered.
2. **AVERAGE**—revenue; Total revenue divided by quantity
3. **CONCENTRATION RATIO**—The percentage of output accounted for by the largest firms in an industry.
4. **PRICE DISCRIMINATION**—Situation in which a firm charges different prices for the same good or service to different consumers, even though there is no difference in the cost to the firm of supplying these consumers.
5. **IMPLICIT**—A cost that is included in the economic concept of opportunity cost but that is not an explicit cost.
7. **SHUT DOWN**—_____point; The minimum level of average variable cost, which occurs at the intersection of the marginal cost curve and the average variable cost curve.
9. **MARGINAL REVENUE**—The increase in total revenue from a one-unit increase in quantity.
11. **MONOPOLY**—A firm that that is the only producer of a good or service for which there are no close substitutes and for which entry by potential rivals is prohibitively difficult.
14. **GAME**—theory; An analytical approach through which strategic choices can be assessed.
20. **LOSS**—The amount by which a firm's total cost exceeds its total revenue.