**Understanding Competition**

**Directions:** Read the following questions, and answer them in the spaces provided.   
When you have finished, discuss your answers with your instructor.

1. What are two types of goods/services that lend themselves well to price competition?   
Discuss these goods/services and reasons why price competition works best for them.

2. What are two types of goods/services that lend themselves well to nonprice competition?   
Discuss these goods/services and reasons why nonprice competition works best for them.

3. In your opinion, why does perfect competition rarely exist in the real world?

4. Why do you think that monopolistic competition is the most common market structure in   
a private enterprise economy?

5. Compare the advantages and disadvantages of oligopolies. In your opinion, are oligopolies good for society or bad? Why?

6. In what ways do consumers and other businesses benefit from regulated monopolies?   
In what ways do they possibly suffer?