

**Econ 409**  
**Assistant Prof. Alper Duman**

### **Study Questions 8**

#### **A. Definitions and Concepts:**

Please find out the definitions given in the textbook for the following terms and concepts.

1. *Area of price discretion*
2. *Kinked-demand curve*
3. *No wealth effects hypothesis*
4. *Industrial Reserve Army*
5. *Agency Relation*

#### **B. Essay Questions**

1. In what ways price determination is different in oligopolistic competition than the monopoly?
2. In what cases do the firms in an oligopolistic markets decide to change the prices? Why?
3. When do capitalists prefer buying instead of making? When do they prefer subcontracting to employing labor?
4. What do prices in oligopolistic markets serve for if not to reflect the natural scarcity and the technical conditions of production?