

Feature of a Monopoly Market

(1) Single seller of the product

In a monopoly market usually, there is a single firm which produces and/or supplies a particular product/ commodity. It is fair to say that such a firm constitutes the entire industry. Also there is no distinction between the firm and the industry.

(2) Entry Restrictions

Another feature of a monopoly market is restriction of entry. These restrictions can be of any form like economical, legal, institutional, artificial, etc.

(3) No close substitutes.

Usually a monopolist sells a product which does not have any close substitute. Therefore the cross elasticity of demand for such a product is either zero or very small. Also the price elasticity of demand for the monopolist's product is less than one.

(4) Price maker.

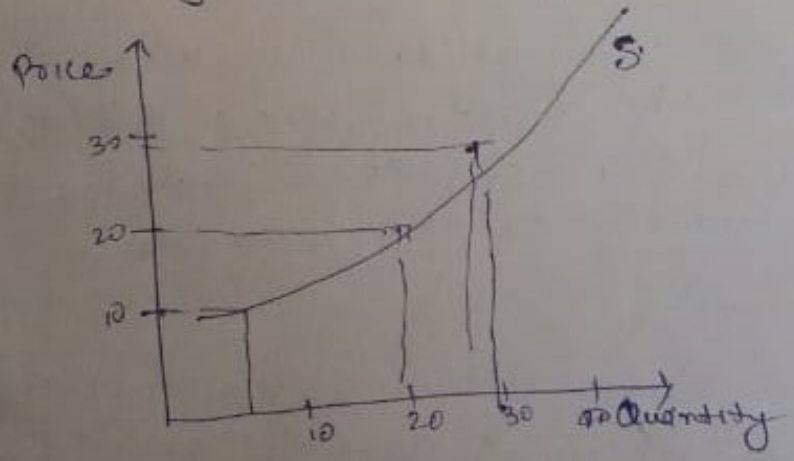
Since there is only one firm selling the product, it becomes the price maker for the whole industry. The consumers have to accept the price set by the firm as there are no other sellers or close substitutes.

Supply

It is the amount of a resource that firms, producers, labourers, providers of financial assets or other economic agents are willing and able to provide to the market place, or directly to another agent in the marketplace. Supply can be in currency, time, raw material, or any other scarce or valuable object that can be provided to another agent.

In the good market, supply is the amount of a product per unit of time that producers are willing to sell at various given prices when all other factors are held constant. In the labor market the supply of labor is the amount of time per week, month, or year that individuals plan are willing to spend working as a function of the wage rate.

In financial market, the money supply is the amount of highly liquid assets available in the money market, which is either determined or influenced by a country's monetary authority. This can vary based on which type of money supply one is discussing. ~~Common~~ is commonly used to refer to narrow money, coins, cash and other money equivalents that can be converted to currency ~~near~~ nearly instantly.



Supply curve

This show ~~what~~ when supply increase ~~the~~ with price.