

Conclusion

Market is a place where buyers and sellers meet and exchange goods or services. And now if we extend this concept a little more, there are certain conditions which create the structure of a market. Such conditions can be condensed in the following –

- Number of Buyers
- Number of sellers
- Buyer Entry Barriers
- Seller Entry Barriers
- Size of the firm
- Product Differentiation/ Homogeneous Product
- Market Share
- Competition

Thus, the following chart to provide the overall understanding of the varied market structures –

Market Structure	No. of buyers	No. of Sellers	Buyer Entry barriers	Seller Entry Barriers	Size of the firm	Product differentiation	Market Share	Competition
Perfect Competition	Many	Many	No	No	Relatively Small	No, homogeneous product	Small	Fierce
Monopoly	Many	One	No	Yes	Relatively Large	No substitute goods/services	Highest	No competition
Oligopoly	Many	Few	No	Yes	Average	Homogeneous/differentiated	Average	High

However, perfect competition, monopoly and oligopoly can lead to deadweight loss. Governments around the world have responded to this by enacting laws that restrict the behavior of perfect competition, monopolies and oligopolies. They also have policies that aim to improve the efficiency of these market structures as well.