

# 3.8 Market Structure

## Question Paper

Course	CIEIGCSE Economics
Section	3. Microeconomic Decision Makers
Topic	3.8 Market Structure
Difficulty	Medium

**Time allowed:** 20  
**Score:** /9  
**Percentage:** /100

### Question 1

What is found in a competitive market?

- A. Every firm earns large profits.
- B. Firms with limited capital can enter the market.
- C. The costs of production are always lower than in a monopoly.
- D. There is limited choice for consumers.

[1 mark]

### Question 2

Why might a government encourage a monopoly?

- A. It can compete against foreign firms.
- B. It can have high average costs.
- C. It can make excessive profits.
- D. It can prevent innovation.

[1 mark]

### Question 3

In some industries, a monopoly controls output and prices.

What is the **most** likely impact of this on consumers?

- A. higher prices
- B. higher profits
- C. higher taxes
- D. more choice

[1 mark]

### Question 4

Which combination of characteristics correctly describes a monopoly?

<b>A</b>	high barriers to entry	possible economies of scale
<b>B</b>	high barriers to entry	impossible economies of scale

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C	low	possible
D	low	impossible

[1 mark]

### Question 5

Which combination is usually found in a monopoly?

- A. many buyers and many sellers
- B. many buyers and single seller
- C. single buyer and many sellers
- D. single buyer and single seller

[1 mark]

### Question 6

What is characteristic of a monopoly market structure?

- A. A monopolist may determine the price of its product.
- B. A monopolist's product has many substitutes.
- C. There are no external costs.
- D. There is easy entry into the market.

[1 mark]

### Question 7

Which international market is the most competitive?

- A. diamonds
- B. foreign currency
- C. petrol (fuel)
- D. washing machines

[1 mark]

### Question 8

The table shows characteristics of a market.

What are the characteristics of a competitive market?

	product	number of buyers	number of sellers	role of firm
<b>A</b>	identical	many	many	price taker
<b>B</b>	identical	one	many	price maker
<b>C</b>	similar	many	many	price taker
<b>D</b>	unique	few	few	price maker

[1 mark]

### Question 9

Which characteristic can exist both in monopoly and in a competitive market?

- A. freedom of entry
- B. many buyers
- C. many sellers
- D. perfectly elastic demand curve

[1 mark]