

3 Firms and markets – Part 2

Name: _____ Class: _____ Date: _____

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)
firm	企业	_____
profit	利润	_____
competition	竞争	_____
monopoly	垄断	_____

Recall

A **firm** 企业 is a business that makes goods or provides services to earn a profit.

New ideas

Read these first, then do the Practice.

■ 1 A firm's profit

revenue (from sales)

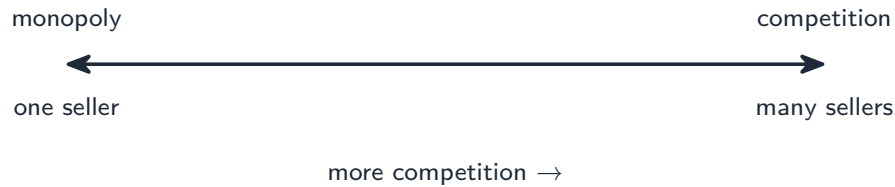
— costs (wages, materials)

= profit

A firm tries to earn a **profit** 利润 (and may also aim to grow or simply to survive).

■ 2 Types of market

Markets differ by how much **competition** 竞争 there is:



A **monopoly** 垄断 is a market with only one seller.

Watch out: a firm's **profit** = revenue – costs. Markets vary by **competition**: a **monopoly** has *one* seller (more power, often higher prices), while **perfect competition** has *many* sellers (more choice, lower prices).

Practice

Try these in order.

3.6 What is a *firm*? [1]

3.7 How does a firm work out its profit? [1]

3.8 Give one cost a firm might have. [1]

3.9 What is a *monopoly*? [1]

3.10 In which market is there more competition — a monopoly or perfect competition?[1]

3.11 **Challenge.** A monopoly is the only seller of a product. Explain one disadvantage

this can bring for customers.

[2]

