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| Identify and explain the characteristics of perfect competition |
| Explain how firms behave under the market of perfect competition |
| Draw and explain the cost and revenue curves for perfect competition. This needs to show the possible short-run situations and the long-run equilibrium, where only normal profit is being made |
| Understand that in the long-run that perfect competition will lead to static efficiency (but assuming that no externalities or economies of scale exist) |
| Understand both the short-run and long-run benefits of a competitive market |