

B.A. Part - I

Micro Economics

Paper - I

Topic - Monopoly Market

* Meaning of Monopoly Market :-

The word monopoly has been derived from the combination of two words i.e., 'Mono' and 'poly'. Mono refers to a single and poly to control.

In this way, monopoly refers to a market situation in which there is only one seller of a commodity.

There are no close substitutes for commodity it produces and there are barriers to entry. The single producer may be in the form of individual owner or a joint stock company. In other words, under monopoly there is no difference between firm and industry.

Monopoly has full control over the supply of commodity. Having control over the supply of the commodity he possesses the market power to set price. Thus, as a single seller, monopolist may be a King without a crown. If there is to be monopoly, the cross elasticity of demand between the product of the monopolist and the product of any other seller must be very small.

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