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Chapter 3 Exam Questions

1. What are the 4 forms of competition in the macro environment? Name and Define.

* Monopoly – exists when one seller controls the entire marketplace for a particular good or service
* Oligopoly – exists when there are a relatively small number of sellers, each holding substantial market share, in a market with many buyers
* Monopolistic Competition – When there are many sellers who compete for buyers in a market
* Perfect Competition – Exists when there are many small sellers, each offering basically the same good or service. No single firm has a significant impact on quality, price, or supply

1. In the near future Tesla is releasing the new Model 3, a more reasonably priced version of their electric vehicle. Out of these three countries, which would be best for Tesla to market this new product, cite specific demographics that would make Tesla successful in selling the Model 3 in this country. (United Kingdom, Kenya, Mexico)

Out of these countries the best one for Tesla to market the Model 3 in is the United Kingdom. The United Kingdom has a relatively large population consisting of on average high-income individuals. Secondly, the social norms in Europe include a “green attitude”. Specifically in the United Kingdom a low emissions vehicle would be a complete success.