

ECO 610
Fall 2016
Problem Set #6

1. Based on the diagram of the characteristics of different types of markets illustrated in class, explain what type of market structure each of the following markets is:
 - a) Fast-food restaurants in Lexington
 - b) Automobiles
 - c) Strawberry farming
 - d) UK basketball

2. Knowing what you do about the market for pizzas in West Liberty, KY, would you expect producers to be able to earn persistent (long-run) above-normal returns? Briefly explain why or why not.