



View

What is product differentiation?

It's a feature of monopolistic competition market. It refers to a situation when the buyers of the product with other. Basically, the products of different, they are be real or imaginary. Real differences are like design material used, skill etc. Where as imaginary differences are through advertising, trade mark and so on.

Selling cost :A feature of monopolistic competition is that every firm tries to promote its product by different types of expenditures. Advertisement is the most important constituent of the selling cost of the product. The main purpose of the monopolist is to earn maximum profits, therefore, he adjusts this type of expenditures accordingly.

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