Semester V

MJC 8

Intermediate Microeconomics 2

Classical Model of Oligopy

Follow the content in the following links to form an understanding the theory of Cournot Model of Oligopoly:-

https://www.investopedia.com/terms/c/cartel.asp

https://www.scribd.com/document/739941663/Cournot-Model

After having gone through the contents given in the above links you should be able to answer the following questions

1. **Explain the Cartel model of collusive oligopoly ?**
2. **Explain how is price and output determined in an environment of cartel? Does the cartel deliberately keeps the market undersupplied?**

Note

The link in the previous e-content also has discussion on Cournot model.