

BELL WORK: Monopolies

Acme Television, Inc., has grown very powerful. Acme has been able to corner the television market by underpricing the competition. In fact, Acme now has a monopoly on the television market. The U.S. government has decided to step in and break up Acme's monopoly. What is the most likely effect that the government's action will have on the television market?

ANSWER:

The cost of a television set will decrease because two or more companies will be competing for customers.