

Ready, Set, Compete!

Answer the following questions completely.

1. Define the concept of competition.
2. Explain direct competition.
3. Explain indirect competition.
4. Why do businesses use price competition?
5. Identify four examples of price competition.
6. Why do some businesses use nonprice competition?
7. List five factors other than price that businesses use as a basis of competition.

8. Burger King and McDonald's are examples of _____.
9. Indirect competition occurs only between businesses that _____.
10. If a consumer chooses to go to the movies rather than to buy a new CD, then the movie theater and the CD business are _____.
11. When businesses use what they charge for their products to attract customers, they are using _____ competition.
12. Offering high quality, large assortments, and free shipping are examples of _____.
13. A business that advertises a special sale as well as its delivery service is using a combination of _____ competition.
14. In a private enterprise economic system, who normally decides what goods will be produced and what prices will be charged for them?

15. One way that competition benefits business is by encouraging the creation of _____.
16. One of the ways that competition benefits customers is by encouraging businesses to improve _____.