**5.02 – The concept of competition**

**Candy Market Structure Simulation**

1. Divide students into 4 markets
	1. Perfect Competition (15+)
	2. Monopolistic Competition (~10)
	3. Oligopoly (3)
	4. Monopoly (1)
2. Give each student a piece of candy
	1. Perfect Competition (Stick of identical gum)
	2. Monopolistic Competition (Jolly Ranchers)
	3. Oligopoly (Sour Patch Kid, Skittle and Starburst)
	4. Monopoly (Fun size candy bar)
3. Have each student take out a blank sheet of paper or can use individual dry erase boards.
4. Tell students “I am going to buy a piece of candy from you and am only willing to pay between $.05 and $.25.”
	1. Perfect Competition CANNOT talk to each other
	2. Monopolistic Competition CANNOT talk to each other
	3. Oligopoly CAN talk to each other
5. Round 1: Have each structure put up their prices and “buy” the lowest price
6. Round 2: See if anything changes now that they’ve seen prices.

Walk students through diagram (mindmap) to chart characteristics of each market structure.