

The following assignment is optional (that is, you may not submit it and get a perfect grade in the course). The extra credits will be assigned as follows:

- The authors whose submission is considered **excellent** will have their **final grade** in the course increased by **3%**
- The authors whose submission is considered **very good** will have their **final grade** in the course increased by **2%**
- The authors whose submission is considered **good** will have their **final grade** in the course increased by **1%**

The due date for submission is November 15th, 6:00PM. The submissions must be attached in an email to boin@bc.edu, putting “EC 131 Extra Credit 2” in the subject and must have no more than two pages. Increases obtained from previous extra credit assignments will be added to the one obtained in this one.

Find an example in the real world **for each** one of the following markets:

- Perfectly competitive market
- Monopolistic market
- Monopolistically competitive market

Describe clearly the market, and justify your choice, based both on the assumptions we made in each market and the predictions our model makes.

For example, in a Perfectly competitive market we assume that the good is homogeneous. Does that apply to your choice? In a Monopolistically competitive market we find that in the long-run profits should be zero. Is that a reasonable approximation of what's observed? Would you consider the current situation as in the short-run or long-run? Why?

Once again, the two criteria for the grade are creativity and correct application of the concepts. Don't be afraid to take risks, but don't forget what is the main objective of the task: use our models to better understand the world.