

COMPETITION, MARKET STRUCTURE

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The research was conducted on the basis of the topic Competition market structure. The purpose of the study is to identify exactly what competition is and what functions it performs. What will give us knowledge on the topic of competition. In the course of the study, all the functions that correspond to the competition were affected. The positive features of the competition were touched upon, of which the following were discussed.

Competition of the possibility of monopolization, prevents the emergence of monopolies that can raise prices, reduce quality, taking advantage of the sole position in the market, forces the economy to respond flexibly to changes in the situation. For example, new products are being created, tariffs are being changed, and product quality is being improved through the introduction of technical achievements into production. Competitors are trying to attract customer users to themselves. Competitors also tend not to give in to each other in order not to lose potential buyers and users.

Competition – there is a rivalry of market participants for the best conditions of purchase and sale and production. The most competitive product is not the one for which the minimum price is asked on the market, but the one whose consumption price is minimal over its entire service life.

Consider the development of competition in the modern economy of Moldova. Genuine competition for the benefit of consumers can only be revived if equal opportunities are created for all types of ownership - state, private, collective, cooperative, etc. In many countries, for example in the USA, both the state and private commercial sectors are quite developed. The generally accepted method of de-monopoly is the fragmentation of economic monopolies.

An important direction in the demonopolization of production is the denationalization and privatization of property, which should lead to the formation of the state and non-state sectors in a ratio of 30:70. Only in this case does the state cease to be a monopoly.

An important direction in the fight against monopolies is the decentralization of production. It is necessary to evaluate the work of all large associations and identify those of them whose efficiency is lower than that of the separately existing companies.

Firstly, effective associations that implement the achievements of scientific and technological progress are not subject to disbandment. Only antitrust laws should apply to them. Secondly, those associations that make up a single technological complex must be decentralized through corporatization.

Particular attention should be paid to the abuse of economic power. Competition and the resulting increase in productivity must be ensured by government measures and protected from possible encroachments. Therefore, it is necessary to establish control over the creation of conditions for competition, voluntariness and equality of participants, self-government of associations. With the achievement of the goal of technological monopoly: creation of analytical, challenging structures with a similar specialization, product and technology profile; the formation of new enterprises in all sectors of the economy, regardless of the form of ownership, and also follows their free entry to the market; creation of a system of measures to stimulate the creation and development of small businesses.

Competition is the mechanism by which the market performs its functions. Competition between producers allows the best way to meet the needs of people and ensure the effective use of limited resources of society.

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