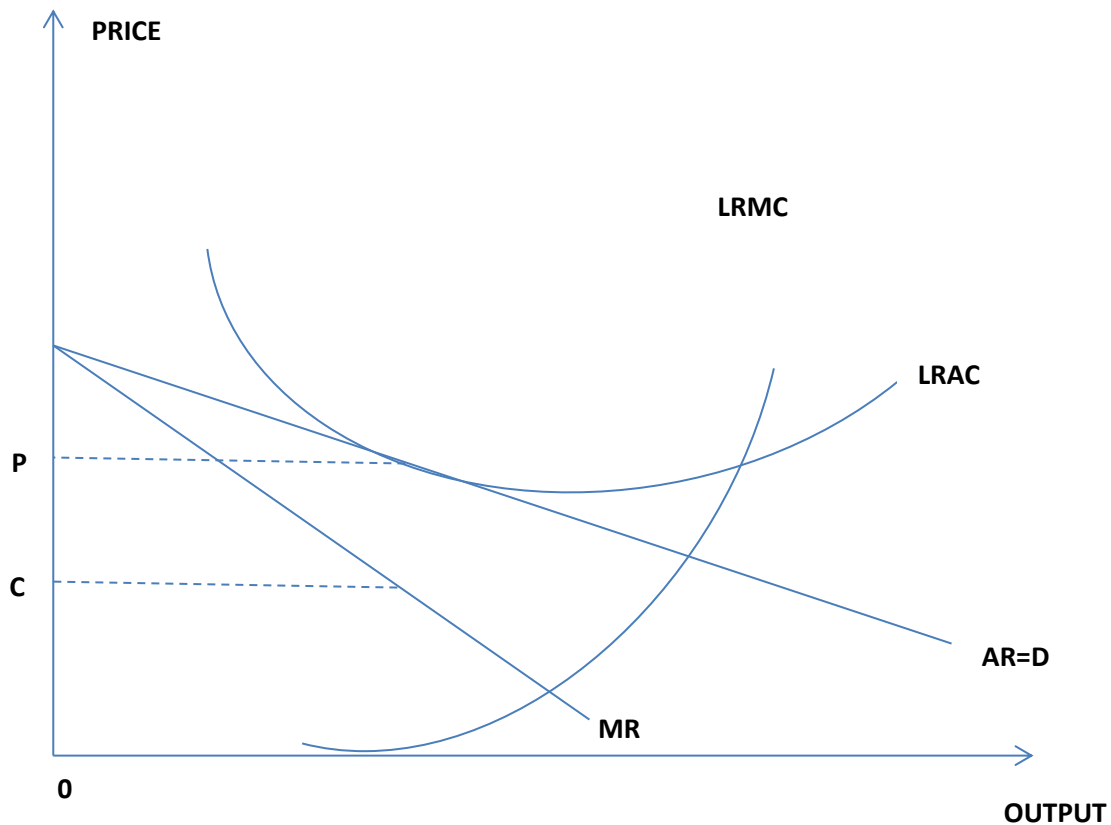


Question #75136, Economics / Microeconomics

Allocation efficiency is not achieved in monopolistic competition. The price exceeds the marginal costs, which means that the company estimates additional units of this product higher than alternative products, and resources in this industry are underutilized.

The price is bigger than marginal costs - point P lies above point C, so there is no efficient allocation of resources.



Answer provided by <https://www.AssignmentExpert.com>