

Glossary:

Economies of Scale: Economies of scale occur when the unit cost of a product declines as production volume increases.

Predatory price: Predatory pricing is the act of setting prices low in an attempt to eliminate the competition.

Limit price: A limit price (or limit pricing) is a price, or pricing strategy, where products are sold by a supplier at a price lower than the average cost of production or at a price low enough to make it unprofitable for other players to enter the market.