1. It has been said that Porter’s five-forces analysis turns antitrust law on its head. What do you think this means?

2. Comment on the following: All of wisdom contained in the five-forces framework is reflected in the economic identity: Profit = (Price – Average Cost) x Quantity

3. How does the magnitude of scale economies affect the intensity of each of the five forces?

4. a. How does capacity utilization affect the intensity of internal rivalry?

   b. The extent of entry barriers?

5. a. How does the magnitude of consumer switching costs affect the intensity of internal rivalry?

   b. Of entry?
6. a. How do exit barriers affect internal rivalry?

b. Entry?

7. Consider an industry whose demand fluctuates over time. Suppose that this industry faces high supplier power. Briefly state how this high supplier power will affect the variability of profits over time.

8. What does the concept of coopetition add to the five-forces approach to industry analysis?

9. Coopetition often requires firms to communicate openly. How is this different from collusion? How can antitrust enforcers distinguish between coopetition and collusions?