Perfectly competitive market is the market structure that has no monopolistic elements of market and consists of huge number of buyers and sellers. These firms or industries are not at all restricted for any entry or exit from the market along with that, they can involve in any trade. The demand and supply forces of the market are responsible for the setting of prices. Below given are the various major characteristics of perfectly competitive markets. ● Huge number of buyers and sellers: the low number of buyers and sellers in market they have the power to affect the changes in total price of products or the outcome in overall industry however, in perfectly competitive markets, the number of buyer and seller is huge which result in the fixed price of products decided by the industry for all products. ● No restrictions on entry or exit: every business (buyer or seller) has the freedom to either enter or withdrawal the market in perfectly competitive market. It allows the firms to enter the market whenever they want and similarly exit the market if they don't gain any profit. ● Maximization of profit: Firms enter this kind of market to maximize their profits and attract more consumers through high competition. ● Pricing decisions: The sellers in this market are not allowed to own the decision of setting a price and they have to accept whatever the price is given by industry. Market power determines the price of products which makes the sellers to sell their product according to the ruling market price due to higher number of firms. ● Nonexistence of transport costs: products are moved freely without transport costs to the areas for sale in order to get the higher profits and deals. ● Appropriate information of market conditions: Buyers and sellers need to gather full knowledge about the conditions of market. ● No artificial restrictions: None of the government bodies or authorities are allowed to interfere or restrict the buyers and sellers in such kind of market. The firms or buyer and seller are totally permissible to deal with whoever they want to. ● Identical products: Firms produce similar products that are all homogeneous in specifications so that the consumer can buy from any seller of his choice. ● Absence of selling costs: since all the firms offer similar range of products in perfectly competitive markets, they don't have to spend money on advertising of products. They easily save the selling cost as the consumer has knowledge of products .available in the market