

## CHAPTER OVERVIEW

### 16: Antitrust Law

#### Learning Objectives

After reading this chapter, you should understand the following:

- The history and basic framework of antitrust laws on horizontal restraints of trade
- The distinction between vertical restraints of trade and horizontal restraints of trade
- The various exemptions from antitrust law that Congress has created
- Why monopolies pose a threat to competitive markets, and what kinds of monopolies are proscribed by the Sherman Act and the Clayton Act

This chapter will describe the history and current status of federal laws to safeguard the US market from anticompetitive practices, especially those of very large companies that may have a monopoly. Companies that have a monopoly in any market segment have the potential to exercise monopoly power in ways that are harmful to consumers and competitors. Economic theory assures us that for the most part, competition is good: that sound markets will offer buyers lots of choices and good information about products and services being sold and will present few barriers to entry for buyers and sellers. By encouraging more, rather than fewer, competitors in a given segment of the market, US antitrust law attempts to preserve consumer choice and to limit barriers to entry, yet it does allow some businesses to achieve considerable size and market share on the belief that size can create efficiencies and pass along the benefits to consumers.

[16.1: History and Basic Framework of Antitrust Laws in the United States](#)

[16.2: Horizontal Restraints of Trade](#)

[16.3: Vertical Restraints of Trade](#)

[16.4: Price Discrimination- The Robinson-Patman Act](#)

[16.5: Exemptions](#)

[16.6: Sherman Act, Section 2- Concentrations of Market Power](#)

[16.7: Acquisitions and Mergers under Section 7 of the Clayton Act](#)

[16.8: Cases](#)

[16.9: Summary and Exercises](#)

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