

# Oligopoly In Partition Function Form\*

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## Abstract:

This paper offers a framework for examining coalitional formation in Oligopoly using the game theoretic partition function form. Firms producing a homogeneous product and having known capacity limits are examined. In determining whether two coalitions should join together in various scenarios, the results suggest that if the initial number of coalitions producing the optimal quantity not at capacity is less than a determinable number, then the two coalitions should join. A four player example is included.

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