

# Models of competition between one for-profit and one nonprofit firm\*

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## Abstract

To study the coexistence of two different ownership forms within an industry, I develop a simple model of competition between one for-profit and one nonprofit firm. The two firms have different objectives and face different constraints due to their choice of ownership status. Assuming heterogenous consumers I derive quality-price bundles provided by the two firms and their market shares under various conditions.

Pro analýzu koexistence dvou různých vlastnických forem v rámci jednoho sektoru vytvařím model soutěže mezi jednou ziskovou a jednou neziskovou firmou. Tyto firmy mají různé účelové funkce a platí pro ně různá omezení. Za předpokladu heterogenních spotřebitelů odvozují kvalitu a cenu produktů dodávaných danými firmami a jejich podíl na trhu.

**Keywords:** Nonprofit firm, for-profit firm, monopoly, duopoly, mixed industry

**JEL Classification:** L31, L1, D42, D43

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