ECON I 作業 2

請於 11 月 12 日 (週四) 的 23:59 前上傳作業至課程的 iLMS 作業區。

作業滿分 100 分，評量以 80 分為基準，表現優於平均者將往上加分、低於平均者將往下減分。遲交的作業會將得分乘以 0.7 計分。分數也許就是類似以...70, 75, 80, 85, 90,...的方式呈現，評分會力求客觀。由於每個人對答案好壞的認知難免不同，你若對閱卷方面有問題，歡迎來找老師談。作業的目的是希望能讓同學以論述的方式學習。

繳交作業的形式: 請以中文**打字、上傳 PDF** 檔案，務必寫上姓名學號，盡量針對題目清楚表達你的意思。作業答案的長度以不超過 2 頁 A4 紙為原則。

作業 2 題目:

請閱讀下面兩篇文章: 1. Amazon Does E-Book Math For Hachette In Arguing For $9.99 Prices 和 2. Amazon v Hachette, Frozen conflict。

1. 根據文章 1，請寫下 Amazon 認為 E-Book 應該降價的理由，這些理由和我們最近討論的彈性、財貨之間的互補或替代性質有關。(占 60 分，以 50 分為基準)

2. 根據文章 2，Amazon 和 Hachette 自協議中分別得到哪些好處? 尚有哪些相關的爭議值得注意? (占 40 分，以 30 分為基準)

BETA

Jul 29, 2014, 08:18pm EDT

Amazon Does E-Book Math For Hachette In Arguing For $9.99 Prices

Ryan Mac Former Staff
Tech

This article is more than 6 years old.

After months of speculation and squabbling, Amazon.com finally laid out its position in black and white in its dispute with Hachette Book Group. In a post on Tuesday to an Amazon Kindle forum, the Seattle company said that its "key objective" was to lower e-book prices, noting that there would be greater benefits for authors, the publisher, customers and the online retailer if prices were cut by as much as half.

The statement was the first to clearly define Amazon's position on its back-and-forth with Hachette, which has gone on since May. Not a company known for addressing controversy, Amazon illustrated its argument with an economics argument: when prices go down, consumers buy more.

"For every copy an e-book would sell at $14.99, it would sell 1.74 copies if priced at $9.99," the company wrote. "So, for example, if customers would buy 100,000 copies of a particular e-book at $14.99, then customers would buy 174,000 copies of that same e-book at $9.99. Total revenue at $14.99 would be $1,499,000. Total revenue at $9.99 is $1,738,000."

Citing e-books' high price elasticity, Amazon went on to argue that e-books aren't simply competing with other books. Rather, they're competing with other forms of media engagement--from games to movies to online news publications--that take up a potential reader's time.

"If we want a healthy reading culture, we have to work hard to be sure books actually are competitive against these other media types, and a big part of that is working hard to make books less expensive," said the company.

The competitive price advocated by the Jeff Bezos-led company is $9.99, which is a third cheaper than the $14.99 per e-book that Hachette is pushing for, said Amazon. Some e-books are currently priced as high as $19.99. The $9.99 price will make the "total pie" bigger for publishers, authors and the retailer--and the average book cheaper for consumers-- said Amazon, in what it framed as a win-win situation.

Amazon also made no fuss about the 30% cut it expects from e-book sales, noting in a potshot against Hachette and the other Big Five U.S. publishers that "the 30% share of total revenue is what Hachette forced us to take in 2010 when they illegally colluded with their competitors to raise e-book prices."

It also saved a parting blow for the end of its statement, arguing that Hachette should split the remaining 70% from e-book sales evenly with its authors.

"We believe Hachette is sharing too small a portion with the author today, but ultimately that is not our call," the company concluded.

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Ryan Mac

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Amazon v Hachette

Frozen conflict

The deal between the two firms is unlikely to end the dispute over e-books

Nov 14th 2014

BY L.S.
SAN FRANCISCO

AFTER months of acrimony, the statements on November 13th announcing the end of the standoff between Amazon, an online-shopping website, and Hachette, a book publisher, over e-book prices and profits sounded a bit too cheerful. The agreement was "a great win for readers and authors alike," according to David Naggar of Amazon—which had tried to get Hachette to make concessions by, for instance, not letting customers make advance orders for its forthcoming books. "This is great news for writers," continued Michael Pietsch, the boss of Hachette—which had been arguing that Amazon should not be allowed to dictate book prices.

Predictably, Hachette's authors breathed a collective sigh of relief—in particular since the deal comes in time for the all-important Christmas season. "Books and publishing need to be preserved if not protected in this country. For the moment, this deal helps do that," as the *New York Times* quoted James Patterson, who is one of Hachette's bestselling novelists and among the most outspoken critics of Amazon during the dispute.

But who has won the battle? It is hard to say, with so little to go on: neither side has said much about the multi-year agreement, which includes both print as well as digital books, and will take effect in early 2015. But Hachette seems to have achieved much of what it wanted: it will set the prices for its titles. The deal, however, also "includes specific financial incentives for Hachette to deliver lower prices," according to Mr Naggar.

This sound less like a grand bargain than a frozen conflict that could easily heat up again. Several other big publishers are set to start negotiations with Amazon over similar issues in the next few months, which may result in renewed conflict. The digital world is particularly prone to fights over prices and profits: it costs almost nothing to sell an additional copy of an e-book. What makes clashes even more likely is that Amazon controls nearly half of the market in books and sees them as a loss-leader for other areas in retail it is trying to expand into. Publishers, on the other hand, want to protect the profit margins on their print books, and charge high rates for e-books to do this.

Another dispute is likely to continue as well. The stand-off between Amazon and Hachette has triggered a heated discussion about whether the online giant is a monopoly and hence should not be allowed to act the way it did. In fact, authors' associations in America are planning to urge the Department of Justice to investigate the firm for abuse of market power. Perhaps that is why Amazon decided to give in—for now.