ECON 2B03 Summary

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*Math objects made using* [*MathType*](http://www.dessci.com/en/products/mathtype/)*; graphs made using* [*Winplot*](http://math.exeter.edu/rparris/winplot.html)*.*

# Chapter 1 − Sustainability

**model**: an simplification of reality that captures information useful and appropriate for a specific purpose

**linear product lifecycle**: energy in and out at every stage



**closed-loop product lifecycle**: recycling, re-use, energy only lost at consumer level



**Ingenuity Gap**: the gap between requirements and solutions, which is caused by an increasing complexity (?)

## Triple-Bottom Line

Focuses on:

* **Social sustainability**: productive service to society
* **Environmental sustainability**: resources/land
* **Economic sustainability**: cost efficient

## Seven Revolutions

1. Markets: compliance to competition
2. Values: hard to soft
3. Transparency: closed to open
4. Life-cycle Technology: product to function
   1. Companies responsible for entire product life-cycle
5. Partnership: subversion to symbiosis
   1. Companies cooperate
6. Time: wider to longer

# Chapter 2

**Cash-flow period**: time over which you are calculating effective interest rate

Don’t forget that there are 4 quarters in a year and 3 months in a quarter-year.

*r*: nominal interest rate (interest rate over a year)

*k*: number of periods per cash flow period

**Effective Interest rate: **

Your effective interest rate should be close to nominal interest rate/cash-flow periods per year.

# Chapter 3

**Equivalence**:

**Decisional Equivalence**: