For Paper No: 1 S/Q

Business Ecnomics:-

It is a field of applied ecnomics that studies the financial, organizational, market-related and enviromental issues faced by corporations.

2):- Opportunity Cost:-

In microecnomic theory, opportunity cost/ alternative cost is the loss of potential gain from other alternatives when one particular alternative is choosen over the others. In other words, opportunity cost is the loss of the benefits that could have been enjoyed had a given choice not been made.

3):- Consumption:-

Consumption in ecnomics means the use of goods and services by households.

4): Marginal Utility:- It is the additional satisfaction or benefit (utility) that a consumer derives from buying an additional unit of a commodity or service.

5): Price Elasticity:- It is an ecnomic measure of the change in the quantity demanded or purchased of a product in relation to its price change.

Mathematically:-

$$\text{Price elasticity of Demand} = \frac{\%\ \text{change in Quanti}}{\%\ \text{change in price}}$$

6): Stake Holder:- A stakeholder is a party that has an intrest in a company and can either affect or be affected by the bussness. The primary stakeholder in a typical corporation are its investors, employees, ~~con~~ customers and suppliers.

7): Uncertanity:- Ecnomics uncertanity implies the future outlook for the ecnomy is unpredictable. Uncertanity is present when the likehood of future events is indefinates or incalculable.

8) Demand Forecasting = refers to the process of predicting the future demand for the firms production. In other words, demand forecasting is comprised of a series of steps that involves the anticipation of demand for a product in future under both controllable and non-controllable factors.

9) Public Goods = refers to a commodity or services that is made avalible to all members of a society. Typically, these services are administrated by governments and paid for collectively through taxation.

10) Marginal Social Benifit = It is the change in benefits assosiated with the consumption of an additional unit of a good or service. It is measured by the

amount, people are willing to pay for the additional unit of a good or service.

11):- Subsidies:-

It is a benefit given to an individual, business or institution, usally by the government. The subsidy is typically given to remove some type of burden.

12):- Monoply:-

There is a market structure where there is a signle firm to produce a particular comudity and there is no close substitute of that comudity in the market that is offered for sale to buyers.

13):- Globlization:- is the spread of products, technology, information and job across national borders and cultures. In ecnomics terms, it describes an interdependance of nation around the globe forcasted through free trade.

14) Short Run and Long run:

Short Run:

It is the time horizon over which factors of production are fixed, except for labor, which remains variable.

Long Run:

It is a period of time in which all factors of production and cost are variable.

15) Social Cost:

are private costs borne by individuals directly involved in a transaction together with the external costs borne by third parties not directly involved in the transaction.

It is the total cost of society = It includes both private costs plus external costs. Eg: Private cost of

16) Free Rider =

A free rider is someone who wants other to pay for a public good but plans to use the good themselves; if many people act as free riders, the public good may never be provided.

ECNOMICS

(ix)= Law of Supply=

Other things remain same if the price of a commudity increases its quatity supplied also increases and if its price decreases its quantity supplied also decreases.

x)= Cross Elastisity of Demand=

The rate of change in demand of b commudity due to change in price of a commudity is called cross elastisity of demand. It is measured by=

$$E_c = \frac{\Delta Q_b}{\Delta P_a} \cdot \frac{P}{Q}$$

x)= Production=

Production is the process of making, harvesting or creating something or the amount of something that was made or harvested. An example of production is creation of furniture.

xii)= Consumer Surplus:=
It is defined by the diffrence b/w the total amount the consumers are willing and able to pay for the good or services (indicated by demand curve) and the amount that they actually do pay (i.e. the market price).

xiii)= Non-Rivalary= means that consumption of good by one person does not reduce the amount avalible for others. Non-rivalary is one of the key characterestics of a pure public good.

xiv): Multi-national Corporations:- has facilities and other assets in at least one country other than ~~its~~ its home country. A MNC has offices or factories in diffrent countries and a centralized head office where they coordinate global measurement.

Scanned with CamScanner

xv):- Oligopoly:- is a market frome wherein a market or industry is dominated by a small group of large sellers. It is a market structure with a small numbers of firms, none of which can keep the others from having significant influence.

xvi):- Equity:- Equity or Ecnomics equality is the concept or idea of fairness in ecnomics, particcullarly in regard of taxation or welfare ecnomics.