

IMPLICATIONS OF MARKET PRICING ON ECONOMIC DECISION MAKING

LESSON 3



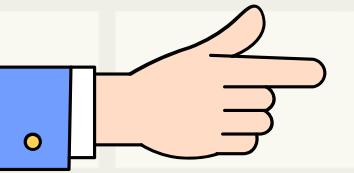
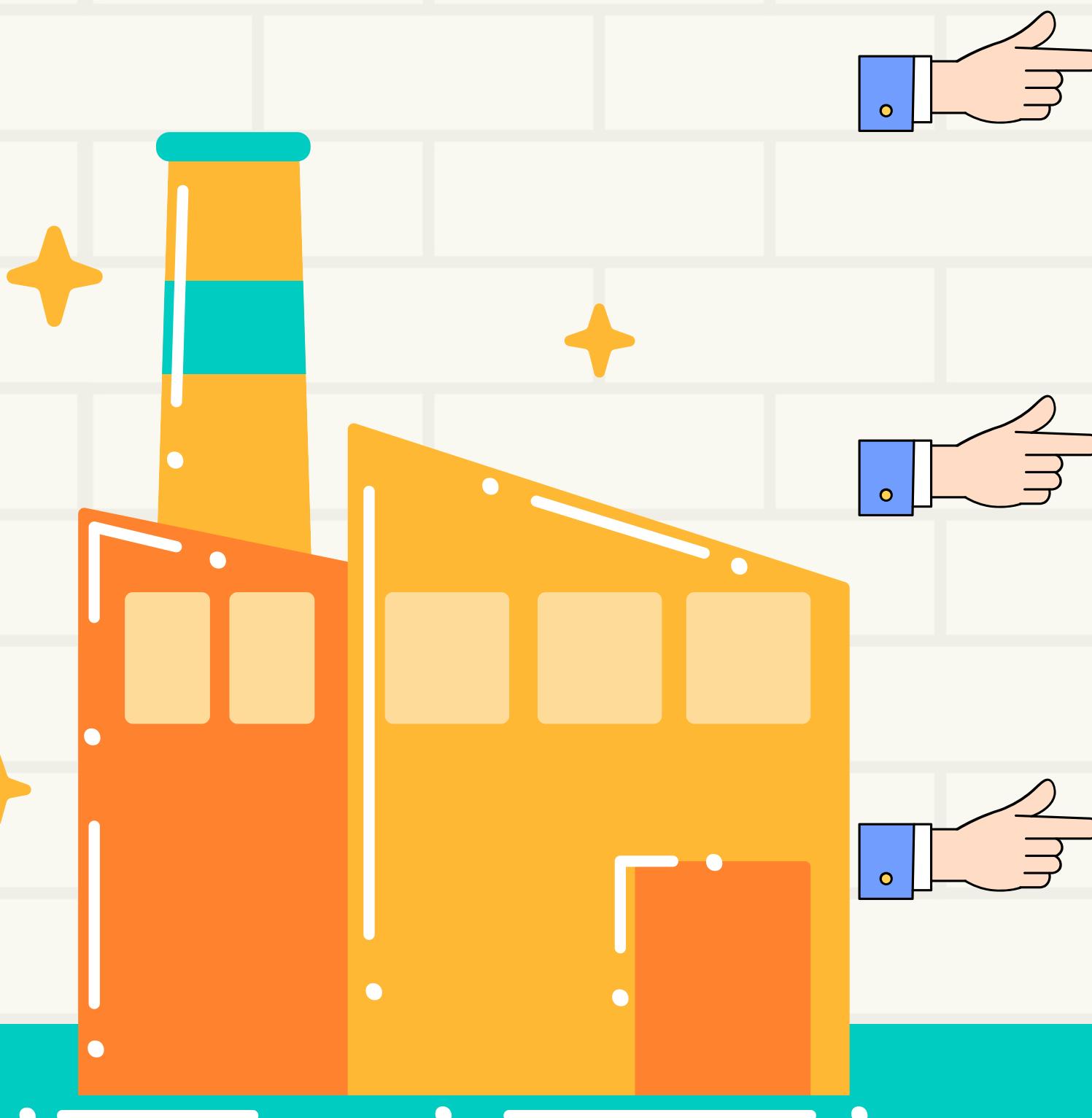
MARKET PRICE

Is the current price at which an asset or service can be bought or sold.

MP is used to calculate consumer and economic surplus.



FEATURES OF MARKET PRICE



The market price is the current price at which a good or service can be purchased or sold.



The market price of an asset or service is determined by the forces of supply and demand.



Market price can change quickly as people change their bid or offer prices.

THE MARKET SETTING

The **market** is made up of buyers and sellers making choices under conditions of scarcity.

Buyers ask about the types of goods and services available and the prices they must pay for them

CUSTOMERS 3 Important factors

- >Buyers perceive the product offers value
- >How sensitive they are to changes in price?
- >**buyers there are?**

Elasticity refers to the amount of stretch or change.



COMPETITORS

THE ECONOMY AND GOVERNEMNT LAWS AND REGULATION



RA 7394 CONSUMER ACT OF THE PHILIPPINES OF 1991, LEGAL BASIS FOR CONSUMER PROTECTION IN THE COUNTRY. THE LAW EMBODIES THE STATE POLICY ON THE PROTECTION OF CONSUMERS AND ESTABLISH STANDARDS OF CONDUCT FOR BUSINESS AND INDUSTRY IN THE COUNTRY.

COMPETITORS THE ECONOMY AND GOVERNEMNT LAWS AND REGULATION



RA 10667 PHILIPPINE COMPETITION ACT (PCA) IS THE PRIMARY COMPETITION POLICY OF THE PHILIPPINES FOR PROMOTING AND PROTECTING COMPETITIVE MARKET. IT WILL PROTECT THE WELL-BEING OF CONSUMERS AND PRESERVE THE EFFICIENCY OF COMPETITION IN THE MARKET PLACE.

THANK YOU

