***Subject: The economy of a firm***

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***Group: 1029 & 1030***

1. Legal structures of a company. Why companies change their legal structure from one type to another?
2. Assume three types of consumers consuming Clothes, Potato, Porsche car appropriately. Explain the effect of below determinants on each type of good, ceteris paribus:

- Price effect

-Income effect

- Expectations effect

1. The environment of the firm. Explain internal and external factors and their impact on firm
2. Compare market-based economy and command economy. If command economy country decides to change to market-based economy what kind of fiscal and monetary changes will happen in the country?
3. To highlight the links between business decision making and study of economies you have to know basic economic concepts. List and explain these concepts briefly.
4. Explain macroeconomic and microeconomic influences on firms. What type of firms can influence on macroeconomic effects?
5. Limited companies and their types. The advantages and disadvantages of each type.
6. Advantages and disadvantages of partnerships.
7. Please, explain the concepts such as a) company director b) Managing director c) Executive director d)non-executive director. Why concrete identification of roles and responsibilities is important for companies?
8. Public corporations vs privatization. Try to explain the effects of privatization from the point of companies’, consumers’ and government’s view.
9. Compare functional organization structure and product based structure. Give examples.
10. Explain substitution effect and income effects of demand. Try to show results on graph
11. What is elasticity of demand. Why we use “midpoint way” while calculating elasticity.

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| --- | --- | --- | --- | --- |
| **Price or AR** | **Quantity** | **Total revenue** | **Marginal revenue** | **Elasticity** |
| 10 | 1 |  |  |  |
| 9 | 2 |  |  |  |
| 8 | 3 |  |  |  |
| 7 | 4 |  |  |  |
| 6 | 5 |  |  |  |
| 5 | 6 |  |  |  |
| 4 | 7 |  |  |  |
| 3 | 8 |  |  |  |
| 2 | 9 |  |  |  |
| 1 | 10 |  |  |  |
| 0 | 11 |  |  |  |

1. Complete the table and explain results on graph.

1. Please, list the determinants of price elasticity and explain them.
2. Explain consumers’ decision making by using “Indifference curve analysis”.
3. Economists define three distinct time period when the firm adjusts its productive capabilities. Explain these “time period” factor. How costs (total, marginal, average) will change through these periods.
4. Compare technical efficiency vs economic efficiency within company.
5. What is scale of firm production? Describe all three elements of scale of firm production.
6. How the firm can produce in “economies of scale”? Why the firms try to produce in “economies of scale”?
7. What kind of constraints upon managerial behavior you know? Explain at least three of them.
8. List and explain five main goals of the company.
9. Managerial theories vs behavioral theories. In your opinion, which one is more appropriate for modern market?
10. Marris’s model of “company growth maximization”.
11. Williamson’s model of managerial utility maximization.
12. Explain, “The structure-conduct-performance” model which argues basic market conditions and structural factors in industry.
13. The main structural factors in industry
14. Please explain the performance factors within companies.
15. Explain Porter’s five-forces analysis model.
16. Please explain “Perfect competition” market structure. Show changes in perfect competition in short and long run.
17. Please, explain characteristics of “perfect competitive markets”.
18. Monopoly and monopolistic competitions.
19. Oligopolistic markets and the types of oligopoly.
20. Please, explain “product differentiation” concept. Why companies invest in product differentiation.
21. Which conduct variables can be used by firms for preventing new entries to the market? Please, describe these conduct factors.
22. Companies can create networking/cooperation in order preventing uncertainty and risk by competitors. Please, describe the ways of this cooperation/networking.
23. Please, explain supply lags and Cobweb theory.
24. Explain pricing policies in different competitive markets.
25. List the alternative pricing strategies and describe at least three of them.
26. What is mark-up pricing? What determines the size of mark-up.
27. Please, explain pricing strategies in different “product life cycles”.
28. Explain the types of price discrimination.
29. Types of restrictions to international trade
30. How exchange rates can influence on businesses?
31. Multinational enterprises can get some benefits by diversifying operations across different countries. Please, describe these benefits.
32. Please, describe the “business cycle” concept.
33. Which factors influence in the level of spending by consumers on goods and services produced by indigenous firms?
34. Please, describe the types of unemployment.
35. Please, list the main elements of financial system and describe at least one of them.
36. Internal economies of scale are frequently classified under four headings. Please describe them
37. Neo-classical economics sees labour as one of the factors of production. Please describe the elements of labor market trends.
38. How the wages are determined in a particular occupation?
39. Please, explain segmented labor market theory.
40. What kind of “labor market policies” are used by employees for protecting their interests?
41. Why businesses need strong HRM system? Please, explain the aspects of HRM.
42. Please, explain the linkages between firms and natural environment.
43. Please, explain market based approach by government to environmental concerns for influencing the activities of both consumers and producers?
44. Decision makers in businesses have a number of techniques and approaches at their disposal to assess the environmental impact of particular projects, plans, programmes and/or policies. Please, give **brief** information about these techniques.
45. Please, describe briefly following concepts: a) Environmental audits of businesses, b) Life cycle assessment, c) Green accounting within businesses.
46. Pressure on business organisations to contribute to more sustainable forms of development has come from a number of sources. Please explain them briefly.
47. What is “Consumer and commercial pressures” concept in natural environment issues?
48. Corporate responsibility and business objectives.
49. Please, describe concepts of strategy and strategy development within businesses.
50. The three elements of strategic management
51. Analyzing the firm’s macroenvironment: PEST analysis
52. To make within the firm or to buy from outside: Transactions cost economics
53. Transactions’ cost analysis can help to provide insight into areas of corporate decision making. For example?
54. The levels of business strategy
55. Please, describe strategic choice level and Porter’s generic strategies.
56. Porter divides the organization’s primary activities into 5 categories for creation, sale and transfer of product. Please explain these activities.
57. Give examples from techniques, tools, methods for analyzing firm’s economic environment and its potential consequences.
58. Transactions cost analysis can also help to provide insight into a number of other areas of corporate decision making. For example:
59. For estimating and forecasting purposes, businesses use statistical techniques to test theoretical viewpoint. Please, describe the steps of this process briefly.
60. While investigation, collection of data is very important. Please, describe the details of data collection.
61. One of the techniques of forecasting for businesses is “market experiment”. Please, describe this concept.