Economics Project

TheCaseSolution.com

What is the relationship between the production and consumption of products in the market place?

In a Market Economy, the price and profit will determine:

- What product will get produced»
  If the shoe has a low selling rate (no to low profit), the firms can decide to whether to change the shoe or stop selling it.
  If the shoe has a high selling rate (high profit), the shoe will continue to get produced.
- How the shoes will get produced»
  High profits can get and access better resources for the shoe (if the firms want to).
  Low profits will lower the production for the show
- Who will get the shoes»
  If the price is high, the consumers who demand them may not afford it. Wealthier consumers can buy the shoe.
  If the price is low, both wealthy and non-wealthy can buy the shoe.
- How many shoes will get produced»
  Depending on the consumers' demands, the firms decide how many shoes is going to be made.
  High selling rate: the price goes up and more shoes will be made
  Low selling rate: the price goes down and less shoes will be made

What gets produced in a market economy is largely determined by cost of production and consumers preference

- The firms needs to know what types of production (such as labor, land, capital) is needed to produce their product.
  Low cost of production: Cheap Quality
  High cost of production: High Quality
- The price of the shoes will determine the total production cost and the consumers' demand for that product.
- The firm decide what to produce based on the consumers' demands based on what gets sold in the market.
- They also need to choose the way they want their products to be produced. Firms have the choices to choose from:

Human Resources:

Choice 1: Unskilled Labor	**Choice 2:** Machine Union Workers
Pros: More Profit, less workers/ labor problems, less taxes	**Pros:** Faster process, more efficient quality products, benefits American economy
Cons: Ethical Problems, higher unemployment jobs in the U.S	**Cons:** Expensive machines, less profit, can cause pollution

Intended Target Market:

Choice 1: Athletic Shoes	**Choice 2:** Trendy Shoes
Pros: High quality	**Pros:** Well known, more consumers, shows off in social media, more profit
Cons: Not everyone is an athlete, higher quality	**Cons:** Can't satisfy everyone, celebrity/models has to wear it to be trendy

Types Of Shoes:

Choice 1: Low Quality	**Choice 2:** High Quality
Pros: does not last long, cheap and easy to make	**Pros:** last long, sell the shoes for a higher price
Cons: lose money when it goes out of style	**Cons:** non-wealthy consumers can't afford it, expensive to make

Economics Project

TheCaseSolution.com

What is the relationship between the production and consumption of products in the market place?

In a Market Economy, the price and profit will determine:

- What product will get produced»
  If the shoe has a low selling rate (no to low profit), the firms can decide to whether to change the shoe or stop selling it.
  If the shoe has a high selling rate (high profit), the shoe will continue to get produced.
- How the shoes will get produced»
  High profits can get and access better resources for the shoe (if the firms want to).
  Low profits will lower the production for the show
- Who will get the shoes»
  If the price is high, the consumers who demand them may not afford it. Wealthier consumers can buy the shoe.
  If the price is low, both wealthy and non-wealthy can buy the shoe.
- How many shoes will get produced»
  Depending on the consumers' demands, the firms decide how many shoes is going to be made.
  High selling rate: the price goes up and more shoes will be made
  Low selling rate: the price goes down and less shoes will be made

What gets produced in a market economy is largely determined by cost of production and consumers preference

- The firms needs to know what types of production (such as labor, land, capital) is needed to produce their product.
  Low cost of production: Cheap Quality
  High cost of production: High Quality
- The price of the shoes will determine the total production cost and the consumers' demand for that product.
- The firm decide what to produce based on the consumers' demands based on what gets sold his/her market.
- They also need to choose the way they want their products to be produced. Firms have the choices to choose from:

Human Resources:

Choice 1: Unskilled Labor	Choice 2: Machine Union Workers
Pros: More Profit, less workers/ labor problems, less taxes	**Pros:** Faster process, more efficient quality products, benefits American economy
Cons: Ethical Problems, higher unemployment jobs in the U.S	**Cons:** Expensive machines, less profit, can cause pollution

Intended Target Market:

Choice 1: Athletic Shoes	Choice 2: Trendy Shoes
Pros: High quality	**Pros:** Well known, more consumers, shown off in social media, more profit
Cons: Not everyone is an athlete, higher quality	**Cons:** Can't satisfy everyone, celebrity/models has to wear it to be trandy

Types Of Shoes:

Choice 1: Low Quality	Choice 2: High Quality
Pros: does not last long, cheap and easy to make	**Pros:** last long, sell the shoes for a higher price
Cons: lose money when it goes out of style	**Cons:** non-wealthy consumers can't afford it, expensive to make

What is the relationship between the production and consumption of products in the market place?

Economics 101

Market Economy: The entrepreneurs makes the decisions about the production (with a very limited government interactions).

- Factor Market
- Product Market

Factor market➻ Firms buy factors of production(Ex: labor, land, capital, etc.) and the employees sell factors of production.

Product market➻ Firms sell goods and services and the consumers buy goods and services.

Overall supply an demand on both the factor market and supply market coordinate resources.

In a Market Economy, the price and profit will determine:

- What product will get produced↣
  If the shoe has a low selling rate (no to low profit), the firms can decide to whether to change the shoe or stop selling it.
  If the shoe has a high selling rate (high profit), the shoe will continue to get produced.
- How the shoes will get produced↣
  High profits can get and access better resources for the shoe (if the firms want to).
  Low profits will lower the production for the show
- Who will get the shoes↣
  If the price is high, the consumers who demand them may not afford it. Wealthier consumers can buy the shoe.
  If the price is low, both wealthy and non-wealthy can buy the shoe.
- How many shoes will get produced↣
  Depending on the consumers' demands, the firms decide how many shoes is going to be made.
  High selling rate: the price goes up and more shoes will be made
  Low selling rate: the price goes down and less shoes will be made

What gets produced in a market economy is largely determined by cost of production and consumers preference

- The firms needs to know what types of production (such as labor, land, capital) is needed to produce their product.
  Low cost of production: Cheap Quality
  High cost of production: High Quality
- The price of the shoes will determine the total production cost and the consumers' demand for that product.

- The firm decide what to produce based on the consumers' demands based on what gets sold his/her market.
- They also need to choose the way they want their products to be produced. Firms have the choices to choose from:

Producers consider the cost of resources (F.O.P) when deciding what to produce

Firms have to make sure that the price of the shoe cover the cost of resources.
The price of the shoes will determine the total resource cost, the consumers' demand for that product and will able to make a profit.

Self-interested producers and consumers determines how the resources are used.

Based on the consumers' demands and what they buy, the firms knows what resources and what type of shoe is need to meet the consumers' demands.
Firms also makes decisions based on the consumers' interest.

Human Resources:

Choice 1: Unskilled Labor	**Choice 2:** Machine Union Workers
Pros: More Profit, less workers/ labor problems, less taxes	**Pros:** Faster process, more efficient/quality products, benefits American economy
Cons: Ethical Problems, higher unemployment jobs in the U.S	**Cons:** Expensive machines, less profit, can cause pollution