Discussion Questions

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#  Discussion Question 1

In order to determine the value of the seminar, it is necessary to evaluate the value the stock market technical analysis can help. If one wants to utilize the knowledge learned from technical analysis seminar and is looking forward to making investments in the stock market, then it is suitable to pay the price for the seminar, which offers learning in technical analysis of the stock market (“Advantages of Technical Analysis,” n.d.). Before jumping on the offer, the analysis must be made regarding the value seminar is going to offer. If one really wants to make an investment in the stock market? What other benefits technical analysis learning can offer ("Cost-Benefit Analysis | Better Evaluation," n.d.)? Does it enable the learner to predict the stock market situation in both short-term and long-term? Does the three-day program offers enough learning and knowledge? In addition to these questions, one must make a comparison with the price of other stock market technical analysis seminars and the values and learnings they offer to predict if it is expensive or not.

# Discussion Question 2

Amin Smith is known as the father of economics, but he is not the one who came up with this significant concept of ‘Comparative advantage' in economics. David Ricardo, a 19th-century 19th-century British economist, first developed it (Rose, n.d.). His comparative advantage theory is attributed to the benefits and antecedents of international trade owing to the differences in the opportunity cost of producing good and services in different countries. His theory was mainly based on the labor theory of value. Ricardo’s theory of comparative advantage can be taken in favor of specialization and free trade among the nations. The overall argument of his theory of comparative advantage is that two countries capable of producing same goods if engage in an international trade, they can increase the overall consumption by exporting and importing the goods, provided the differences between the labor productivity of two countries (“comparative advantage | Definition, Economics, & Facts,” n.d.).

# Discussion Question 1

The difference between a variation in demand and change in quantity demanded is one of the key concepts in economics. It is understood that demand increases with the reduction in price and it decreases with the increase in price. This inverse relationship is the law of demand (Case & Fair, 2007). The change which comes in demand, either positive or negative, owing to the price is referred to as ‘change in quantity demanded'. On the other hand, the price of the product is also impacted by some other factors as well, such as a change in weather, availability of substitute products, or income or choice of the consumers. In case of a change in quantity demanded, movement is made along the demand curve, while in case of a variation in demand, which is due to the factors other than price, there is a shift in the demand curve. Price remains constant in case of a variation in demand (Nitisha, 2015a).

# Discussion Question 2

The price elasticity of demand is the receptiveness of quantity demanded with respect to the variation in price. It is actually the percentage variation in the quantity demanded resulting from the percentage variation in the price of the product (“Price Elasticity of Demand | PED | Economics Online,” n.d.). The magnitude of price elasticity of demand is mainly dependent on three factors such as its closeness to the substitute, income proportion spent on the good and the time period (Nitisha, 2015b). If people will be having more options to buy in case of increase in price, the price elasticity of demand will be higher. If more time was spent after the change of price then the price elasticity is also higher, and if people spend a larger portion of their incomes on an item, its price elasticity is also higher. This is due to the fact that if the consumer spends a high portion of their income on a product then a little change in price will lead to more spending and more change in quantity demanded.

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