Assignment

Student’s Name

Institution

Date

**Q1**: The whole concept of microeconomics is important to every citizen. As a consumer, there are several topics in microeconomics, which are very importance such as supply and demand and consumer theory. These two topics illustrate issues, which directly affect consumers in the market and therefore, it is importance for a consumer to understand them a little bit. From the concept of supply and demand consumers can concepts, which determine the availability of products in the market and price of very product. Consumers can learn when to purchase products and the way the market is controlled. The consumer theory is important because it provides details how people decide to spend their money and the kind of refrain which exist. As a voter the topic theory of the firm is an important topic because it illustrates the economy of scale, factors of production, production function and cost function. This entire concept covered in theory of the firms; illustrate essential issues, which determine the economic growth of a country, which is important for a voter. Though the entire concept of the microeconomics cover essential areas of economics, and provide basic understanding of the economy, I believe the stock market performance influence on the economy has been covered entire in the course. As a student of economic, I believe it is important to understand the kind of influence stock market has on the economy.

Q2: During your next trip to the supermarket (or you may need to make a special trip) find two examples of different goods for which the market is oligopolistic. Make certain that you have chosen a ‘good’ and not a brand name. Remember that several brand names compete in a market.

A visit to a supermarket to analyse the bread and the products. I noticed several brands in the supermarket and products. Most of the products are produced by different companies. It is therefore, evident that there is a little competition among the brand or companies. It seems several products in the supermarket enjoy the monopoly in the market. There are several companies, which control the market because of the popularity and space allocated to the products in the shelves. For instant, Wheatbix, has more space or shelve compared to its rival products. There is clear evidence of Oligopolistic Market being practiced within most of the supermarkets. The brand notice from the supermarket is Product TitleZuri Cosmetics, Product TitleL'Oreal Paris, and Evolve silky, Nivea and several others on the side of beauty and cosmetics. It is evidence that there are other brands like Vaseline, sunlight, BlueBand and several others. The different is how these products are allocated space or shelf within the supermarket. A closer analysis on the way space is allocated indicates there is a big different. Some products like Vaseline sold and other products of Vaseline and Nivea on the beauty and cosmetic section are allocated more space. I also realize that these two brands Nivea and Vaseline are having variety of products on the shelf compared to other products under the same category.

Q3: The game Prisoner’s Dilemma illustrates that two complete parallel individual cannot work together to achieve a specific goals. It presents a situation where two people are in the position of not communicating and therefore cannot work together. The best strategy to overcome the situation is through to work with strength of each party and apply cooperation as the best idea way to solve any such condition of none cooperation. It is important to apply irrational to make choose for the outcome to be better. In the game I choose 1, cooperation, and 1 again for cooperation and 2 for complete. The game is similar to the theory we discussed in class since it is illustrate the application of concept of cooperation, communication and irrational decision making, which covered in class as the best way to address the problem of lack of communication within an organization setup.

Q4: Based on the reading in the blue photocopy book page 25, learn about the proposed merger between Nestles and Dreyers

Answers: the merger between Merger of Nestlé and Dreyer's Gains could have changed the way the product would perform in the market. The merger and acquisition is also done to improve the performance of a company. It is therefore, necessary for merger in cases where a company is experience stiff market competition and poor performance, the merger and acquisition allows a company to improve its market share as well. Therefore, it was a good idea for the merger, however, the deal was rejected because of the market condition and worry of federal authority of the how the consumers would be treated in the market. The performance of Nestlé is expected to increase due to the merger. The market share of the Nestle would increase resulting to high market share and profit.