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Commentary

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# Impacts of Business Economics

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## Description

Business economics assesses certain factors impacting corporations—business organization, management, expansion, and using strategy theory and quantitative methods. Within the broadest sense, economics refers to the study of the components and functions of a specific marketplace or economy—such as supply and demand—and the impact of the concept of scarcity. Managerial economics may be a field of study within business economics that focuses on the microeconomic factors that influence the decision-making processes with a corporation. Business economics is, thus, an applied economics. Economics is that the study of citizenry (e.g., consumers, firms) in producing and consuming goods and services within the midst of scarcity of resources. Business managers apply economic laws and principles while presenting business problems and their ways of solutions. it's an application of that a part of microeconomics that specialize in those topics which are of great interest and importance to business managers.

Managerial economics is essentially an applied branch of microeconomics. Its macroeconomic content isn't to be belittled. It uses the methods and techniques of microeconomics mostly within the field of management. Business Economics, also called Managerial Economics, is that the application of theory and methodology to business. Business involves decision-making Traditional theory has developed along two lines; viz., normative and positive. Normative focuses on prescriptive statements, and help establish rules aimed toward attaining the required goals of business. the stress in business economics is on normative theory. Business economic seeks to determine rules which help business firms attain their goals, which indeed is additionally the essence of the word normative. A firm is an economic organization which transforms productive resources into goods to be sold within the market. a serious a part of business deciding depends on accurate estimates of demand. Business Economics is playing a crucial role in our daily economic life and business practices. In actual practice differing types of business are existing and travel by people so study of Business Economics becomes very useful for businessmen. In 1951 Joel Dean published a book entitled "Managerial Economics." the topic Managerial Economics has gained popularity. Managerial Economics reveals that how economic analysis is employed to formulate the economic policies in reference to the business firms. deciding is one among the most functions of each manager. His decisions depends entirely upon himself or sometimes on other factors. The issues before him could also be simple or complex in nature. Also they'll be major or minor.

**Demand Analysis:** The manager cares the demand for his firm's product. A firm can survive if it's ready to cater the demand for its product in market at the right time and within the right quantity. A firm can economically substitute the market, when it's goods are continuously demanded and sold within the market.

**Theory of production:** Theory of production is additionally called because the theory of firm. alongside the value of production it also consists the firm's revenue. It includes the connection between various factors of production, input-output analysis, and labour capital ratio, optimum production, reach analysis etc.

**Analysis:** Cost of production is extremely significant think about the method of production. Therefore every manager must to possess an honest knowledge of analysis it includes various sorts of costs, which are very essential in deciding. The varied factors liable for the variation in cost estimates must tend due weightage.

**Pricing theories:** Managerial economics deals with the pricing theories. Pricing of a Product incurs income to the firm. The success of the firm are often comprised during a sound pricing policy of its product, how the worth is to be determined in various sorts of market like perfect competition, monopoly, monopolistic competition, oligopoly, duopoly etc.

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