

? Pearson

JOHN SLOMAN ELIZABETH JONES

# ESSENTIAL ECONOMICS FOR BUSINESS

# **Essential Economics for Business**

# **Table of Contents**

_		1	<b>^</b> -	
	rn	nτ	Co	ver

Half Title Page

Title Page

Copyright Page

**Brief contents** 

Contents

**Preface** 

Publisher's acknowledgements

#### PART A INTRODUCTION

#### 1 Business and the economic environment

- 1.1 The business organisation
- 1.2 The external business environment
- 1.3 The economist's approach to business
- Box 1.1 A perfect partnership
- Box 1.2 The airline industry
- Box 1.3 The changing nature of business

Questions

Part end additional case studies and relevant websites

### PART B MARKETS, DEMAND AND SUPPLY

#### 2 The working of competitive markets

- 2.1 Business in a perfectly competitive market
- 2.2 Demand
- 2.3 Supply
- 2.4 Price and output determination
- 2.5 Elasticity of demand and supply
- Box 2.1 Stock market prices
- Box 2.2 UK house prices
- Box 2.3 Shall we put up our price?



Box 2.4 Speculation

Box 2.5 Market intervention

Questions

#### 3 Demand and the consumer

- 3.1 Demand and the firm
- 3.2 Understanding consumer behaviour
- 3.3 Behavioural economics
- 3.4 Estimating and predicting demand
- 3.5 Stimulating demand
- Box 3.1 Rogue traders
- Box 3.2 Problems for unwary insurance companies
- Box 3.3 Using policy to change behaviour
- Box 3.4 Global advertising trends: a new world
- Box 3.5 Advertising and the long run

Questions

#### 4 Supply decisions in a perfectly competitive market

- 4.1 Production and costs in the short run
- 4.2 Production and costs: long run
- 4.3 Revenue
- 4.4 Profit maximisation
- Box 4.1 Diminishing returns and business
- Box 4.2 Understanding your fixed costs
- Box 4.3 Lights, camera, action
- Box 4.4 Minimum efficient scale
- Box 4.5 Cost, revenue and profits
- Box 4.6 E-commerce

Questions

Part end additional case studies and relevant websites

#### PART C THE MICROECONOMIC ENVIRONMENT OF BUSINESS

#### 5 Pricing and output decisions in imperfectly competitive markets

- 5.1 Alternative market structures
- 5.2 Monopoly
- 5.3 Oligopoly
- 5.4 Game theory
- 5.5 Alternative aims of the firm



- 5.6 Setting price
- Box 5.1 A fast food race to the bottom
- Box 5.2 Premier league football: the sky is the limit
- Box 5.3 Market power in oligopolistic industries
- Box 5.4 The prisoners' dilemma
- Box 5.5 The Hunger Games
- Box 5.6 Behavioural economics and the firm
- Questions

#### 6 Business growth and strategy

- 6.1 Strategic analysis
- 6.2 Strategic choice
- 6.3 Growth strategy
- 6.4 Financing growth and investment
- 6.5 Starting small
- Box 6.1 Business strategy the Samsung way
- Box 6.2 The ratios to measure success
- Box 6.3 Strategies in uncertain times
- Box 6.4 Hotel Chocolat
- Questions

#### 7 Multinational corporations and business strategy in a global economy

- 7.1 The globalisation debate
- 7.2 Multinational corporations
- 7.3 Business strategy in a global economy
- 7.4 Problems facing multinationals
- 7.5 Multinationals and the host state
- Box 7.1 Cross-border merger activity
- Box 7.2 Attracting foreign investors
- Box 7.3 Grocers go global
- Box 7.4 Investing in Africa
- Questions

#### 8 Labour and employment

- 8.1 Market-determined wage rates and employment
- 8.2 Power in the labour market
- 8.3 Minimum wages
- 8.4 The flexible firm and the market for labour



- 8.5 The labour market and incentives
- Box 8.1 New ways of working
- Box 8.2 What do post, airlines, bins, buses and universities have in common?
- Box 8.3 Does gender inequality still exist?
- Box 8.4 Education, earnings, productivity and talent

Questions

#### 9 Government, the firm and the market

- 9.1 Market failures
- 9.2 Firms and corporate responsibility
- 9.3 Government intervention in the market
- 9.4 Environmental policy
- 9.5 Competition policy and business behaviour
- 9.6 The regulation of business
- Box 9.1 The problem of free-riders
- Box 9.2 The Body Shop
- Box 9.3 A Stern rebuke
- Box 9.4 The problem of urban traffic congestion
- Box 9.5 Google 'Google'

Questions

Part end additional case studies and relevant websites

#### PART D THE MACROECONOMIC ENVIRONMENT OF BUSINESS

#### 10 The economy and business activity

- 10.1 The key macroeconomic objectives
- 10.2 Business activity and the circular flow of income
- 10.3 The determination of business activity
- 10.4 The business cycle
- 10.5 Money, interest rates and business activity
- 10.6 Unemployment
- 10.7 Inflation
- Box 10.1 Doing the sums
- Box 10.2 The economics of playing host
- Box 10.3 Sentiment and spending
- Box 10.4 Inflation and unemployment: how costly?
- Box 10.5 Airlines and the macroeconomy

Questions



#### 11 National macroeconomic policy

- 11.1 Fiscal policy
- 11.2 Monetary policy
- 11.3 Supply-side policy
- Box 11.1 The fiscal framework in the eurozone
- Box 11.2 The central banks of the USA and the eurozone
- Box 11.3 The credit crunch and its aftermath
- Box 11.4 Japan's volatile past and present
- Box 11.5 Productivity

Questions

#### 12 The global trading environment

- 12.1 International trade
- 12.2 Trade restrictions
- 12.3 The world trading system and the WTO
- 12.4 The European Union and the single market
- 12.5 Brexit
- Box 12.1 The changing face of comparative advantage
- Box 12.2 Strategic trade theory
- Box 12.3 Beyond bananas
- Box 12.4 Preferential trading
- Box 12.5 In or out?

Questions

#### 13 The global financial environment

- 13.1 The balance of payments
- 13.2 The exchange rate
- 13.3 The growth of global financial flows
- 13.4 Economic and monetary union in the EU
- 13.5 International economic policy: managing the global economy
- Box 13.1 The importance of international financial movements
- Box 13.2 Exchange rate uncertainty and the plight of business
- Box 13.3 The euro/dollar seesaw
- Box 13.4 Global problems. global answers?

Questions

Part end additional case studies and relevant websites

## Websites appendix



Key ideas Glossary

Index

**Back Cover**