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Original Article

Global Technology Economic Analysis Paradigm

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Abstract *- Is it true that it is not only the consumers that make the economy prosper? Business and government also play a role in the economy of a country and corporation. "The GLOBAL technology economy is driven perhaps by the example of a consumer-based society and capital-driven citizenry," according to the article in the investor guide of 2013. The role of the government is very important in businesses, organizations and consumers alike depending on the decisions made by the government officials spending of the government. Research has indicated that dependencies of government, organizations, businesses and consumers are intertwined or intermediaries. It is also found the Management of losses, especially the "Deadweight technology losses losses", which are the losses of losses; examples are when consumers are lost due to pricing or when businesses are not providing excellent standard Computer or technology products and services.*

Keywords *- Organizations, Government, Businesses, Economy, Computer Products, Supply, Demand, Technologies, Management, Engineering, Computers, Pricing, Services, Risk, Privatization.*

I. INTRODUCTION

According to the textbook, Fundamentals of Managerial Economics, by Hershey, "The technology economic factors of a country, corporation or organization must be taken into considerations when managers make decisions concerning the well-being or success of the corporation organization" (Hirschey, 2008). These economic factors may have to include cost, available resources, revenues, employment and expenditures; to be also considered are demand and supply of goods and services. Explained further in the text is that there is a relationship between cost revenue, and this also influence decisions making by managers.

The marginal and incremental relations take part in the process of determining both cost and revenue; managers must always maximize profits (revenue) while minimizing cost (overhead). By definition, marginal analysis gauges the effect of unitary changes - that is, the amount of changes in units while incremental analysis on changes among available resources.

It is the managers' job to make decisions according to the economic conditions and available resources of their company environment. The technology decision-making paradigm should be part of the managerial economist profile. Managers must apply economic theory and methods to all decision-making processes. It should be recognized that cost, revenue and profits depend on the application of economic theory in the workplace. Managers should be well-rounded, skilful, knowledgeable, and have experience in all aspects of economic Management to succeed in leading their corporations.

A. Managerial Economic Technology Analysis

It is agreed with the fact that spending by consumers sector is the driving force of the global technology economy. Without consumer spending, the economy will be in jeopardy (Chaotic situation). Consumer spending results in economic growth which means an increase in real GDP (Keshav, Shamneesh& Sharma, 2015). Economic growth is an increase in aggregate demand and an increase in aggregate supply. What we mean by economic growth are the increased national output and national income.

For example, lowering the interest rate will reduce the cost of borrowing and so encourage spending and investments, which may lead to higher demand and supply of goods and services. For instance, "the annual economic growth in the United States is about 12 trillion per year, and the highest part is created by you and all other consumers in the country" (Walden, 2007). Walden further explained that consumer spending accounts for three-quarters of the 12 trillion American's economy created per year. It could be a chaotic situation when people are not spending due to high prices, low income, unemployment, high-interest rates and other social and economic factors. The economy depends on the demand for goods and services and the supply of those goods and services by the manufacturers and retailers (Hershey, 2008).

B. Product and Service Exchange

When people spend more, the economy tends to be robust; producers are able to dispose or sell off goods; and more services can also be rendered, thereby increasing revenues and profits (Keshav, Shamneesh& Pankaj, 2015). High demand for goods and services would certainly realize profits with lower or minimum cost(overhead) attributed to production. Also, the high demand for goods and services may call for an increase in supply, therefore, creating a surge in the employment rate. Today, unlike eight years ago when the US had a recession; the economy was "rampant", and the income was low, and nobody could afford anything, the so-called Obama's economic stimuli introduced by President Barrack Obama and world dignitaries have contributed greatly to the revitalization of the economy. Even though economic stimulus has "pumped" money into circulation, a country still faces another problem which a decrease in the value of our currency may be, and the driving up prices. Nevertheless, the economic stimuli have Dead so far helped as incentives to corporations and consumers: the stimuli have allowed consumers to increase demand and made corporations increase production and create jobs.

"The activities of the consumers, government, organization and businesses are what drive the economy; although for an economy to prosper ultimately, the government must be stable (Campbell, 2009). While consumers and producers make more decisions that mould the government, management activities have a powerful effect on the economy. You know that when the danger of recession approached in 2008 in the US, the government sought to strengthen the economy by spending itself heavily and cutting taxes, so the consumers would spend more. And since spending and taxes are controlled by the President and Congress, the elected officials play a role in directing the economy.

C. Management of Deadweight Technology Losses

In a layman term, Deadweight losses are problems encountered from our inefficiencies: sufferings from not being confident or from low performance. Deadweight losses in economics are known as an excess burden on allocative inefficiency. That is, they are losses of economics. Deadweight losses are losses of economic efficiency that can occur when equilibrium for good or service is not Pareto optimal; by Pareto optimal, we mean resource allocation where it is impossible to make any one individual better off without making at least one individual worse off (Luthans, 2007). Nevertheless, Deadweight loss is the inefficiency created in the market typically due to demand and global issues that have a negative impact on society. Deadweight loss can include actions that prevent the market from achieving an equilibrium clearing condition, and these include taxes subsidies and biding price clearing where supply equal demand (Hershey, 2008). The most common reason for Deadweight loss is government actions – such as taxes or supply control and pricing control.

Deadweight loss can generally be referenced as loss of scrollable to either consumers, producers or both. Technically, Deadweight loss may be defined as the waste resulting from economic inefficiency of any kind, be it through poorly designed regulation or antiquated production techniques (Luthans, 2007). Deadweight losses are also losses by subsidies to corporations. A subsidy shifts either the demand or the supply curve to the right depending upon whether the buyer or seller receives the subsidy. If it is the buyer receiving the subsidy, the demand curve shifts right, leading to an increase in the quantity demanded and equilibrium price. If it is the seller who receives the subsidy, the supply curve shifts to the right, and the quantity demanded will increase while the equilibrium price decreases (Feldstein, 2006). Another thing is who bears the sales tax burden? -- It is straightforward to determine who pays the tax. However, it is a difficult issue to assess who bears the tax burden. The answer is significant for designing tax policy at the state level, and this is particularly true when assessing the equity of potential changes in the sales tax base; many changes are explicitly motivated by equity concerns which suggest the need to evaluate incidence (Feldstein, 2006).

When there is Deadweight loss, consumers lose confidence and are not happy; productions or supplies are also affected by the effects on cost. Pricing may also be affected. For example, the auto industry in the US suffered a Deadweight loss because of low confidence due to recalls that occurred over the past years. When there is a Deadweight loss, the price will normally increase, thereby enabling demand to fall.

The major factors that determine who will bear the burden of a tax or incidence tax depend on income, taxes and pricing. Both the producers and consumers are the ones that bear the burden of a tax or incidence tax. Tax authorities require the buyer or seller to be legally responsible for the payment of the tax. We should know that tax incidence is the way in which the burden of a tax is shared among the market participants (Hershey, 2008). Taxes will constitute a greater burden for whichever party has a more inelastic curve. For instance, if supply is inelastic and demand is elastic, then the burden will be greater on producers. For example, suppose a state government imposes a tax upon milk producers of $1 per gallon, and the original price of milk was $2 per gallon. After the imposition of the tax, the supply curve of milk will shift up and to the left, signifying a reduction in supply. Let's say consumers pay $2.60 per gallon that means the seller would receive $1.60 after paying the tax of $1. Also, this means that sixty cents of the tax are actually paid by the consumers while forty cents is paid by the milk producers. It is true that government has policies and measures to encourage the new firm to join the perfect market to reduce the monopoly effect. This also increases competition among firms because a new firm is entering the market. That means more Computer Products in the market may give rise to a higher price. The economic theory identifies many situations where a government could correct the failure and improve economic efficiency (Luthans, 2007). A potential market failure such as market power and imperfect information does not appear to create large efficiency losses to the U.S economy; However, market failure arising from externalities such as air and water pollution, hazardous wastes, and traffic congestion do impose a significant social cost that government policy could reduce efficiently (Bradst, 2011). Government policy to correct market failures may be characterized by two major flaws: Firstly, government policy has created economic inefficiencies where significant market failures do not appear to exist, such as with antitrust laws and economic regulations that have raised firms' costs and generated economic rents for various interest groups at the expense of consumer welfare. Secondly, in situations where market failures do exist, government policy has either achieved expensive successes by correcting these failures in a way that sacrifices substantial net benefits or, in some way, has reduced social welfare. Government policy has wasted resources with its application of command-and-control policies to correct externalities, especially in health, safety and environmental policy. For example, more efficient Global of Superfund could reduce the health risks from global wastes for more residents at a lower cost. In some situations, government failure arises because government intervention is unnecessary - that is, the market can adequately address their possible failure; consequently, government intervention may prove to be counterproductive because market failure policies are flawed or poorly implemented and because policymakers are subject to political forces that enable certain interest groups to benefit at the expense of the public (Winston, 2006).

D. Supply and Demand

If the government taxation is to deal with a situation of elasticity of supply and demand will affect the Deadweight loss of that tax as follow (Winston, 2006): If a buyer has many alternatives to a good with a new tax, they will tend to respond to a rise in price buying other things and will, therefore, not accept a much higher price. If sellers easily can switch to producing other goods, or if they will respond to even a small reduction in payments by going out of business, then they will not accept a much lower price. The incidence of the tax will tend to fall on the side of the market that has the least attractive and, therefore, lower elasticity (Winston, 2006). Cigarettes are one example where buyers have relatively few options: we would therefore expect the primary burden of cigarette taxes to fall upon the buyers. To better see how the elasticity of supply and demand affects tax, consider a 20% tax on a soda. Suppose the government decides that the buyer should pay the 20% tax; does this mean that the buyer will be paying 20% more, or will the seller have to share some of the burdens? Since higher prices decrease demand regardless of the reason for higher prices, a seller will have to share some of the burdens. How much of the burden will be determined by the elasticity of supply and demand for the product?

Only if either demand or supply was either completely elastic or inelastic will the tax burden fall entirely on either the buyer or the seller (Winston, 2006). Between these 2 extremes, tax incidence varies continuously from a perfectly inelastic supply or perfectly elastic demand, where sellers assume the entire burden of the tax to the perfectly elastic supply of perfectly inelastic demand where the buyer bears the entire burden. The tax burden will fall more on the buyer if demand is inelastic or supply is elastic but will fall more on the seller if demand is elastic or supply is inelastic

E. Pricing of Computer and technology products and Services

It is true that any authority establishing a price that provided a fair price to the providers of the factors of production would distort the market's natural ability to determine prices and output levels. At this stage, the market will be very competitive. Fair price may demand to increase depending on the quality of an individual product. Producers may have to turn to other marketing strategies to sell their products other than price. Fair pricing will create fierce competition.

In recent times market mechanisms have failed and allocated too many or few resources to the consumption of production of some technological goods and services, and some of the reasons for the failure are poor quality of the Computer Products, price gouging and lack of demand or low demand. The cost of resources allotted to production far more outweighs the revenue derived from selling the product. The competitiveness of the market may also be considered as one of the reasons for market failure. Adam Smith was correct that the competitive market would allocate resources to their highest and best. In a competitive market, for example, the highest resource may be allocated to marketing rather than production. The packaging and product labelling may become priorities – more maybe spend on these parts. Government intervention into the competitive market has changed the efficiency of the market becaGlobale producers will not have to behave anyhow – price setting is being controlled somehow. When a tax break is given to corporations, this enables them to produce more quality Computer Products by buying more raw material, and this would yield lower pricing and an increase in demand. Examples are the tax exemptions, and incentives given to car manufactures over the years.

Government cannot provide technological goods and services to the public efficiently as the private sector. This is very controversial because some services can be provided efficiently by the government – this means that it depends on the kind of Computer Products and services. For example, the Affordable Technology Health Care Center cannot be managed alone by the government, and that is the main reason why private insurance companies are involved. For goods and services, it is more profitable and efficient to privatize their production.

F. Privatization of Computer Technological Products and Services

First, let's define Privatization: Privatization is the sale of a public asset such as a state-owned railroad and water utility to the private sector. The government privatized their assets for several reasons – one is to shed state enterprises that are operating at a loss and draw the government coffers (Huan, 2007). Another is the hope that private owners will run the enterprise more efficiently, bringing better service that the state could provide.

As it was said previously, it is very controversial when governments propose privatizing essential services like water delivery and electric power provision into private hands. The worry is that companies may increase the efficiency of the enterprise but ignore the social objectives in the bargain, such as the cost of the merchandise affordability. The theory of privatization is that private companies are more efficient than the government. Theory suggests that public officials – politicians and bureaucrats lack the incentive to run an enterprise efficiently (Huzan, 2007). Also, there is no competition or takeover threat as they would in a typical bGlobaliness and the public does not scrutinize performance as shareholders in a private company.

In government, public managers often must balance contradictory objectives (Huan, 2007). Efficiency may in the public sector be sacrificed to increase social benefits – such as employment which may translate into political support – for example, the poor state of electricity in India has been attributed to a public bailout of bankrupt utilities, political pressure to allow non-payment of bills, and below-cost electricity prices for politically influenced farmer constituencies (Dubach and Rajang, 2002).

The private sector may be better than the public sector in that private companies will work harder to realize a profit, whereas the public sector is for social returns as opposed to economic returns. The private sector needs macroeconomic stability. If the government cut spending and create unemployment, then it can fall in aggregate demand and lower output. An economic downturn would discourage the private sector and leads to a loss of output in the economy.

G. Risk Management of Situations

Controllable risks are the risks that are due to the factors that are under the direct control of the economy. Most controllable risks are internal risks. Controllable risks may at times not conduct properly and must face several problems. Since the risks are mostly related to simplicity and change of impropriety, they are easy to control (Griffin, 2014).

There are different types of risks: A good example is Operational Risks that are related to the day-to-day operations of a business – such as Financial Risks. Since there are numerous things happening in a business, it may be difficult for managers or directors to keep an eye on everything and manage it on their own – and this is where there is a need for risk units. Strategic Risks_result directly from operating within a specific time, so shift in consumers preferences or emerging technologies that make your product-line obsolete – this is an example of uncontrollable risk. We may also have Compliance Risks which are risks associated with compliance that are subject to the legislative or bureaucratic rule and regulation, or those associated with best practices for investment purposes - these are also uncontrollable. They can include employee protection regulations like those imposed by OSHA and EPA.

The ways to incorporate risks into the decision-making process are to get Senior Management on Board – discuss the risk that the organization faces, how these risks are currently analyzed and how decisions are made to manage identified risks. Other ways are to perform short reviews, is to perform a simple risk analysis, set up a corporate risk register, identify and setup project-level risk registers reflecting varying scales of projects and create a senior management dashboard (Griffin, 2010)

H. Executive Summary

The Management of natural infrastructures of the economic paradigm is as important as its analysis. If government Cut spending and create unemployment, then there will be a fall in aggregate demand and lower output computer Products and services. An economic downturn would discourage private sector and leads to a loss of output in the economy.

With the analysis of services and production, economic sanctions may be imposed to suit the "deadweight" losses, the losses of losses in prices and Computer Products. In an actual sense, there are three things to consider in the market economy, and these are People, Computer Products, and Consumers. The justification of a good economic rest on its citizenry. Since we must combine both the economic facts obtained through research and facts of life, we will be able to determine the steadiness of an economy.

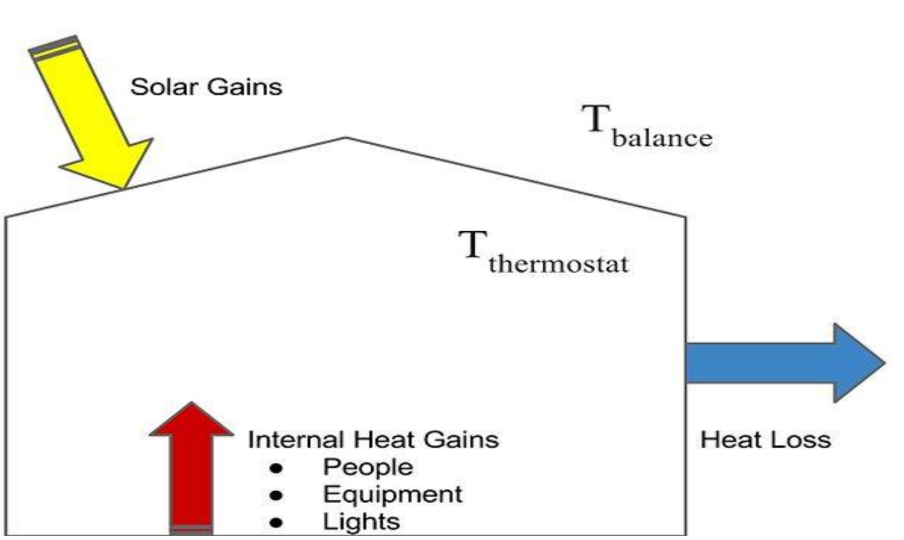

Fig. 1 An Economic loss with Solar Systems example

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