

4

Business Organizations

Predict the business organization that has evolved into the 1. most common type in and 2. the largest component of the US economy.

Compare and contrast the advantages and disadvantages of business organizations.

Differentiate between the three types of Business Organizations.

Retrieve/Recall

- Sole Proprietorship
- Partnership
- Corporation

3

Market Structures

Predict the types of non-price competition that firms engage in.

Compare and contrast the advantages and disadvantages of business

- Create a comparison table that includes:
 - a. # of competitors
 - b. Product uniqueness
 - c. Control over price
 - d. Ease of entry

Differentiate between the four types of Market Structures.

Retrieve/Recall

- Perfect Comp.
- Monopolistic Comp.
- Oligopoly
- Monopoly

2

COST ANALYSIS

Analyze that economic profit is the default in economics.

- When costs are given, often implicit costs are inherently included.

Calculate Profit when given:

- $P \times Q = TR$
- Explicit Costs (FC+VC)
- Implicit Costs
- Compare Normal Profit to Implicit Cost

Understand that Accounting Profit only considers explicit costs.

- $TR - TC = \text{Accounting Profit}$
- $TC = FC + VC$

Economic Profit includes implicit costs.

- $TR - TC - \text{Implicit Cost} = \text{Economic Profit}$

Retrieve/Recall Cost Categories

- Explicit
 - Variable
 - Fixed
 - o Depreciation
- Implicit
 - Opportunity Costs

1