

DISCUSSION REPLIES

Student's Name
Institutional Affiliation



DISCUSSION REPLIES



PART ONE: Effects of Globalization on Economic Choices

INTRODUCTION

Globalization is a force that has changed the world in many different ways. It has had political, social, cultural, and economic impact on the 21st century. The effects of globalization can be viewed as both positive and negative depending on how one perceives them. Financial and industrial globalization is particularly on the rise, thus creating numerous opportunities for both developed and developing world (Hossein & Maryam, 2013). In economic sense, globalization has had a tremendous effect on the way people make their daily economic decisions. For instance, the process of globalization has given consumers more options to choose from in terms of goods and services they need for their daily routines. This can be considered a positive development when viewed from the consumers' perspective.

FROM THE PRODUCERS' PERSPECTIVE

Producers are at the center of global economy and hence are greatly affected by globalization forces. There are many both positive and negative ways in which globalization can impact manufacturers. From a positive point of view, globalization has provided access to new markets which were not available for the producers before globalization process occurred. Companies around the world are actively participating in global trade due to globalization of the export market (Hossein & Maryam, 2013). Globalization forces also enabled many countries to sign free trade

agreements, making it easier for their companies to export to new markets. Additionally, due to globalization producers gained access to cheaper labor. For example, Chinese economy has been booming in the recent years because of the prosperity of manufacturing sector (Hossein & Maryam, 2013). Many companies have outsourced their productions to China because of the cheap labor in the country.

From a negative point of view, globalization has created competitive conditions all around the world. This means that local companies must compete with international enterprises, while it has never happened before the globalization force become pervasive (Hossein & Maryam, 2013).

GLOBALIZATION AND CONSUMER BEHAVIOR

Globalization is a new commercial reality that has many positive effects on the consumer behavior. It can now be influenced by different globalization forces such as communication, information, and global interaction. Due to global exposure, consumers tend to demand types of goods they have never heard of before the globalization forces arose. In terms of economic choices, globalization has made it possible for buyers to have a wider range of goods and services to choose from. Additionally, consumers have been able to buy cheaper goods and services because competitive forces have decreased prices considerably.

Reply to the Post

The post has illustrated both advantages and disadvantages of competition from consumers and producers' points of view. I agree that globalization has lowered the price of many essential goods, hence offering consumers better economic deals (Hossein & Maryam, 2013). However, buyers have

had to worry about the quality of goods since some of them might have harmful effect on health. In terms of producers, the paper shows that globalization opens more markets for export. I think the paper is comprehensive and well balanced in its illustration of the effects of globalization.

PART TWO: Type I and II Errors in Decision Making

People are confronted with decision making in every aspect of their lives. Decision making should apply the principle of opportunity cost, especially when it concerns spending money. Of course people can be mistaken when making decisions and depending on results of the decision making process their errors can be classified into either type I or type II. For instance, as a student I was faced with a situation where I had to make a decision on how to spend my money. I could either invest the money or buy a car. After weighing the pros and the cons of investing the money versus buying a car, I stopped on the latter because I considered that having a car would make it more efficient for me to get from my residential area to school campus. When I reflect back on this situation, I think I made a type I error in my decision (Schmarzo, 2013). Instead of buying a car I should have invested the money to earn more money. Today, I am burdened with my student debts which would have been avoided if I had invested the money wisely. I was convinced that the possibility of having a car in school far much outweighs the opportunity cost of not investing the money.

Reply to Post №1

This post gives a good example of a classical challenge that professionals

face at their workplace. I agree with the writer's classification of the error he made as type II one. He regrets his decision to prioritize customer A (the new customer) rather than customer B (old and loyal customer). The paper is well written, and the writer has clearly identified the incentives and the opportunity costs involved in the case.

Reply to Post №2

This post starts with the background information on the concept of type I and type II errors. Even though the writer has not clarified what type of error he made in his professional work, he has clearly specified incentives, opportunity costs, and efficiency dynamics involved in this example (Schmarzo, 2013). The information provided in this paper is very comprehensive in terms of combining decision making with the economic principle of opportunity costs.