

Benefit principle



Benefit principle Nobody wants to take unnecessary risks in the current world. Every action will be weighed against the benefits before the implementation. Only the cost effective actions will be performed while the expensive ones will be avoided. When we compare this modern principle with the ancient principles we can see lot of changes. Ancient people were not much concerned with the individual benefits. They worked together for the common objective irrespective of the individual gains. For example, ancient people converted forests into suitable land for cultivation. They made lot of roads and other common things required for the social development. No agency or governments funded their efforts or rewarded them. But in a rational world like the current one people are true professionals and they will think of cheapest and cost effective ways to maximize their benefits rather than the benefits of the society.

“ The marginal cost of a change is the additional cost caused by the change. The marginal approach suggests that one should make all the changes that increase benefits more than they increase costs (or that reduce costs by more than they reduce benefits). When all these changes have been made, one will find oneself at a point for which marginal costs equal marginal benefits. This rule for finding the best level of an activity is called the maximization principle.” (Schenk, 2008) for example an entrepreneur will make some changes to his product only if he feels that such changes will increase the product sale and thereby he can increase profit. Most of the Chinese products in the market are supposed to be of cheap quality. Still most of their products

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are putting immense fight with their competitors regarding the price. People

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are well aware that these Chinese products are of cheap quality, but still they will purchase it because of their utility against the price.

“ The Principle of Benefit Maximization dictates that whenever one is faced with a choice, the best decision is the one that results in the most good or greatest benefit for the most people.” (Kallio & Brenda R, 2003) For example, consider David Beckham is out form and England is playing against Brazil in a football match at Beckham’s home ground in England. Most of the coaches in such a situation will give Beckham an opportunity to play even though he is out of touch, in order to satisfy the spectators. Such a move can satisfy the majority of the Beckham fans in his home ground.

The recent 1-2-3 nuclear agreement reached between India and America is another example for benefit principle. Still there are debates going on about who got maximum benefits out of this agreement; India or America. The Indian government argues that they got more benefits than the cost given to America for reaching this agreement. At the same time America, also argues the same thing. They think that their nuclear technology and equipments can have a great market in India and hence to stabilize their current distracted economy, such an agreement is essential.

Conclusion

The comparison of cost against the benefit is a common thing in all the aspects of human life in the current world. Current generation is mostly motivated by selfish interests. Though collective growth is one of the declared aims of globalization, in practice everybody tries to maximize their own benefits at the expense of others.

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