

# Berkshire hathaway inc

Business



## Berkshire Hathaway Inc

It is a multinational as well as multi-billion holding companies that are in America, which has its headquarters in Omaha and Nebraska. The company owns various businesses like the Fruit of the Loom, Dairy Queen, insurance company, Lubrizol, BNSF as well as Flight Safety International just to mention a few of them. The president of the company is Warren Buffett, and his assistant is Charlie Munger.

## Effects of Mr. Buffett's age

The age of the Chief Executive Officer of any company actually plays a major role to shareholders because the older the person often leaves the company with fewer long-term options as the shareholders tend to shy off. Though Mr. Buffett claims that his successor will comprise a team of a CEO as well as three to four investment managers, and each will play a role in investment of the company, such does not bolster the confidence in his leadership simply because the succeeding CEO is not mentioned publicly (Powell, 2014). Thus, the purchase of BNSF will be equally difficult.

Buffett claims that the prices of gas have to increase in order for the company to have the ability to pay its debts. He does not end the interview without mentioning that he made a big mistake by purchasing BNSF because the energy future was facing bankruptcy simply because of their unpaid loans that were maturing. However, Buffett always has plans to reduce prices of gas in the future, such is seen when he agrees to a purchase price, which is from the first solar plant, which will be offering the cheapest electricity in the U. S ('Berkshire Hathaway completes Marmon acquisition', 2008). Therefore, NV energy agrees to give just \$0.0387/KWh for solar electricity that is from the 100 MW Playa Solar 2 projects which are being in <https://assignbuster.com/berkshire-hathaway-inc/>

U. S by the thin film company first solar. In addition to that, the NV energy power price is now entitled to be as low as possible as such is an encouraging reflection of the expected rapid decline in solar costs.

Buffett usually emphasizes on investing in companies, which will be more profitable for several decades, thus is seen through the Suncor Company, which is profitable in all environments as when oil profits are lower, the initial downstream profits of thy company tend to help in compensating their upstream losses. Rail freight and truck freight is almost the same, but the only difference depends on the commodity being transported, maximum speeds, loading and also stopping patterns like braking (Lei, n. d.). However, in most cases rail freight is normally more energy efficient than the truck because of the low rolling resistance of the steel wheel that moves on a steel rail. Moreover, aerodynamic drag also becomes less as railroad car shields the car behind it partially from the headwind. Such is exceptional to container trials, which have a big gap in between the containers thus the wider the gaps, the higher the aerodynamic. Airplanes also lose a lot of energy with altitude beyond tropopause and temperatures have effects on the flight. The unique feature of Buffett is the emphasis on investing into companies, which have good management.

## References

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