

# [Good example of economic analysis essay](https://assignbuster.com/good-example-of-economic-analysis-essay/)

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## Business management

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Coast acquisition is business sales term that refers to the total expenses necessary to to attain a sale or retain a customer. Therefore, it the total cost associated with the buying and selling of goods and services, or even assets. In general, the net price plus the associated cost of purchase and taking the good to the point of use comprises the total acquisition costs. These cost include the following; the purchase cost i. e. research, closing, accounting, legal fees, and commissions, the transportation fee from the point of purchase to the end use location, preparation and other fees related to making of the product operational (installation cost). These costs exclude training and system integration costs since they form part of the operational cost.
What are the benefits of acquisition cost analysis? The acquisition cost determines the amount that a given venture requires to become operational and maintain clients. It thus determines the profits the company shall make in the long run. It also determines the immediate profits that shall be gained per unit of a good or service sold. In case this is not done, chances of making losses are very high since there are many costs involved in the purchase, transportation and installation of a commodity.
Risk analysis involves the identification and assessment of the factors that may make the business venture less successful. The technique does not only involve the identification of possible risks, but also possible solutions to the perceived problems. They involve identification of the competition from other companies, environmental constraints and challenges, among others. There are several methods used in risk analysis. For example, the facilitated risk analysis process. This entails an analysis of a single segment, unit, and system of a business process at a time. After identifying the risks and categorizing them, mitigation and control of the risks measures are determined.
The importance of risk analysis is that it helps in averting some of the key hurdles to the success of the business venture. If a business manager fails to acknowledge this stage, the business becomes vulnerable in the face of competition and client satisfaction and may lead to losses.
Project evaluation involves the collection, analysis, and the use of the collected and analyzed information to solve a problem. This stage is mainly done to evaluate the successes and failures of a business venture or a program. The main idea behind evaluating is to see if the set goals and objectives are significantly attained. The costs of the program are evaluated in terms of the goals and objectives archived within a specified period. Methods and procedures of improving the weak areas of the business are also identified during evolution. All possible alternatives that can be used as substitutes of all the system or segments of the system are also evaluated. In case there are unintended outcomes from the program or venture, solutions to them are found. The best approach in business evaluation is to involve both the evaluators and the stakeholders. This makes the stakeholders who are the daily officers involved in the program to provide valuable information. In the event that the stakeholders are not involved; the evaluation may be compromised since some technicalities might not be identified by the evaluators.
Evaluation in business is one of the most important procedures that determine the future success of the business. The evaluation report improves the operation of the business and maximizes returns. The process seals loopholes that could make the business venture unsuccessful in the long run.