

Apple and phinnaeus or julie and david: whats in a name

Business



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Discussion Questions of the of the Concerned April 12, Discussion Questions
Apple and Phinnaeus or Julie and David: What's in a Name? 1. Maryanna noticed the contemporary trends towards parents getting really concerned about the naming of their children. Maryanna identified the business opportunity embedded in this trend and decided to take advantage of it by starting a naming business. Yes, the founding of Marayanna's business was customer driven in the sense that she started her business only when she realized that there existed demand for the right type of names. Also, Maryanna designed her products that are the names only after taking into consideration the expectations of the customers from a name. 2. Korwitti's target market is the people who are very concerned about their and their children's name that are the people who believe that a name imparts a person with specific traits and character. Korwitti chose to build a business on the expectations, aspirations and beliefs of these people and started a naming enterprise. Korwitti also targets the customers who intend to change their name so as to develop specific character traits and abilities. 3. Any company or a business that offers the people with the right kind of name and extends the appropriate assistance in that regard represents a competitive threat to Korwitti's business. Also the companies and products that stimulate a rational and logical attitude in the customers regarding name and implore customers to dispel the belief that names are imbued with inherent character traits do pose a competition to Korwitti's business. Market-to-Market Accounting 1. To put it simply, market-to-market accounting method means that a company is required to put the value of its assets on the basis of their market price on a particular day. This practice is certainly of

advantage to future traders as they invest on the basis of the market price of a company on a particular day. However, market to market accounting gives rise to two possibilities. One is that the market value of a company may be more than its real value on a particular date. The second possibility is that the market value of a company may be lesser than its real value on a particular day. So the market-to-market value of a company is always not a real measure of the true value of its assets. 2. Market-to-market accounting methods greatly impacted the value of companies during the financial crisis. The problem with the markets is that they are to a great extent based on the investor perceptions. So during the financial crisis, the value of assets held by the banks and investment institutions was considerable. However, the investors felt that the market value of these assets was negligible. So the banks were forced to price down the mortgage backed securities held by them and reported massive losses. 3. Yes, it is good to allow the companies more flexibility with accounting procedures during crisis so that they can place a realistic price on their assets. However, ironically speaking the companies can misuse this flexibility. Hence, such flexibility should be accompanied by some type of statutory monitoring procedure.