Different types of interviews used in the business organizations

Opportunity and sunk cost Opportunity cost is the value of the next best alternative that must be sacrificed when you make a choice and it applies everywhere.

For Example: If a person chooses to use vacation time to travel rather than to do renovations on the house. Thus, the opportunity cost of the tour could be said to be the forgone home renovations. Sunk costs are costs that were incurred in the past and cannot be recovered once spend e. g.

If a person spends N$10, 000. 00 to purchase a vehicle, the value of the vehicle, after five years will be less than the amount spend to purchase it. The N$10, 000. 00 is cost that is “ sunk” and cannot be recovered once spend.

The opportunity cost can be seen as value and sunk cost as money/resources. b) Inflation and interest rates Inflation is a rise in the general level of prices of goods and services. Consequently, inflation reflects a reduction in the purchasing power per unit of money. Interest rate is the rate, normally expressed as percentage, at which interest is paid by borrowers for the use of money that they borrowed from a lender.

For example, if you borrow money from the bank to buy a house, the bank receives interest rate at a predetermined rate for accepting to use the funds and instead of lending it to the borrower. c) Macro and microeconomicsMacroeconomics is a part of economics that deals with the performance, structure, behavior and decision-making of an economy as a whole. In contrast, Microeconomics is a part of economics studying the behavior of individual households and firms in making decisions on the allocation of limited resources, how these decisions and behaviors affect the supply and demand of goods and services, which determines prices, and how prices, in turn, determine the quantity supplied and quantity demanded of goods and services. d) GDP and GNIGDP (Gross Domestic Product) is a measure of national income or national output and national expenditure produce in a particular country, whilst GNI (Gross National Income can be defined as the sum of value added by all resident producers plus any product taxes not included in the valuation of output plus net receipts of primary income from abroad. For example: The profits of a South African owned company operating in Namibia will only count towards South African GNI and Namibia's GDP. e) Positive and Normative StatementPositive Statements, in economics, concerns what " is", " was", or " will be" and contains no indication of approval or disapproval.

Positive statements are testable and are contrasted with normative statements, which do make value judgments whether a situation is subjectively desirable or not. For example, the following statement is positive since it conveys factual, testable information about the world. " The unemployment rate is currently at 9%" Statement such as: " The unemployment rate is too high. " is a normative statement since it includes value judgment and is of a prescriptive nature.

Question 2 Different Economic SystemsIntroduction All countries face a scarcity problem and must make decisions about what to produce, how to produce and for whom. How these decisions are made depends on the economic system a specific country uses. Thus, economic system is the way in which a country's economy is structured, organized and managed. In other words, economics systems can be seen as a set of rules or understanding that governs how scarce resources are used to produce goods and services that satisfy human requirements. There are three main economic systems, namely capitalism, command and mixed economies. A.

Capitalism Economic SystemDefinition: This is an economic system based on private property and the market. It gives property rights to individuals and businesses and they own all the factors of production. Principles: a) All property is owned by the private sector; b) Everyone has the right to compete; c) Individuals have the freedom to decide how to use the factors or production; d) Government’s role is limited e. g. to maintain law and order; e) Individuals have the freedom to decide how to use factors and production; f) Profit motive – individuals can improve themselves by increasing their effort, input and income.

Advantages: a) Businesses are motivated by profits and leads to economic efficiency; b) Individuals have economic freedom (freedom of consumption, production or occupation, to invest or save, private ownership) because there is no elements of force; c) Contributes to rapid development of Technology and increased production for whole community; d) Shows better results in the allocation of resources and the distribution of goods and services. Disadvantages:) This system is based on ‘ ability to pay’ and not needs; b) There is an unequal distribution of income and wealth; c) Employment is determined by market forces and not government, and high unemployment rates are possible; d) This system leads to economic fluctuations, such as recession, depression and inflation; e) Pressure groups may exclude or harm other groups and make competition impossible. B.

Command Economic System Definition This is an economy in which the government makes all decisions about production and distributionC. Mixed Economy Definition This is an economy in which both private and public institutions exercise control of the factors of production for basically two reasons: i.

Maximum creation of wealth ii. Equal distribution of wealth Advantages a) Monetary and fiscal policy can be used to establish business cycles; b) Community experience benefits of private sector activities, such as efficiency and innovation and benefits of public sector participation in the economy, such as the provision of public and merit goods. Disadvantages a) Occurrence of duplication of goods or gaps such as lack of services or goods due to private and public sector activities; b) Control measures by government such as fiscal policy can be ineffective due to delays to implement policies or red tape. Recommendation: Mixed Economy will be my recommendation since in modern economy; one does not find capitalism and command economy, but a mixture of both.

In mixed economy, there is public as well as private sector. The private sector is capitalistic and capital is in private hands, whilst the public sector supplies public goods and merit goods that are under-supplied due to market failure. Assignment 2 Question 1 a) Namibia’s main economic sectors are namely: i. Primary Sector – dealing with the production of raw materials such as agricultural, fishing, forestry and mining; ii. Secondary Sector – manufacturing part of economy in which raw materials and other inputs are used to produce other goods e.

. beneficiation of primary product (canning of fruits & vegetables), manufacturing of consumer goods (clothing, footwear, etc.) and capital goods (machinery, buildings roads, etc.) iii. Tertiary Sector – comprises services and trade sections of the economy, often referred to as services sector.

b) Outputs (products) of each economic sector c) Factors responsible for Fluctuations of economic performance in each sector d) Suggest – enhance good performance & economic growth