

National oceanic and atmospheric administration

[Finance](#)



There is a difference in the treatment of employees of high tech firms compared to those of the franchising firms. This is because the high tech firm employees are more economically efficient as their work has greater returns. This results in better compensations. On the other hand, the returns of other workers like salesmen or laymen are lower compared to those at high-level white-collar jobs. As in economics people prefer efficiency rather than equity those who are more efficient get more benefits.

Question 3: This is again related to efficiency and equity. “ Related to the notions of efficiency and equity is that of social welfare and a concept called Pareto efficiency, named for the Italian economist Vilfredo Pareto. If no reallocation of resources or trade of goods and service can be made that increases value to some individual without anyone else being made worse off, the situation is Pareto efficient.” (National Oceanic and Atmospheric Administration)

Therefore, as mentioned above by allowing for equitable distribution in some situations there is a chance of not only achieving Pareto efficiency but also increasing the standard of living of the people. This may in turn increase spending and will inject money back into the economy. Therefore, in entirety this is beneficial.

Question 4: The higher gasoline price is a matter of concern for the government. This is because it will increase prices and cause further inflation and unrest. Therefore, the government will encourage them to buy hybrid cars. This can be done by reducing the taxation on these hybrid cars. Adding a support price will also be an excellent benefit. This can be further reinforced by increasing taxation on gasoline-fueled care. As the costs of those cars will increase the people buying new cars will tend to look towards <https://assignbuster.com/national-oceanic-and-atmospheric-administration/>

hybrid cars as even if they are costly in the short run, in the long run, their running costs will be lower and will turn up as a relief for the buyers. Also as time wears on the other people who are looking to replace cars will also look towards this alternative. Above all these cars are environment friendly and advertisements can be introduced to encourage their buying.