

# Comments to peer response dq1md and dq2 jb

[Business](#), [Management](#)



Bargaining Bargaining entails actively persuading a seller to lower his initial price offer. The buyer negotiates to obtain a price that is favorable to him (Shell, 2006). The situation below explains how access to market related information affects the outcomes of a transaction. A situation may occur where a seller values a vehicle at \$200, 000, but the buyer is only willing to pay \$150, 000. A surplus of \$50, 000 exists to be shared by the parties. The presented gains from persuasions may be hard to quantify. The two parties have differed interest as the buyer wishes to acquire the car at the least price possible while the seller wants to trade at the highest price. The buyer and the seller have to make negotiations to a point where they mutually benefit from the transaction. This may compromise the expectations of the two parties. Greater negotiations by consumers boost competitive pressures leading to improved value for money. This is reflected in the lower costs and higher service value (Benassy, 2005).

### Public goods

These are goods or services that can be used by numerous individuals concurrently without diminishing the value of consumption to any one of the individuals. This argument supports that it is difficult to elicit people's preferences for public goods. This key feature of public goods, that several individuals can use the same good without reducing its value, is expressed as non-rivalry (Batina & Ihori, 2005). Non-rivalry is what differentiates public goods from private goods. Public good also has the features of non-excludability that is a person cannot be stopped from using the commodities regardless if the person makes payment. Economists refer to public goods as non-rivals and not excludable. These goods may include national security,

drain systems, public recreational areas and crucial television and radio transmits (Centre & Touffut, 2006).

#### References

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