**“Beynəlxalq iqtisadiyyat məktəbi”**

**Firmanın İqtisadiyyatı**

1. Barter System. Difficulties of Barter System.
2. Definition of Commerce. The nature of Commerce.
3. Branches of Commerce
4. Definition of Business and its important characteristic features.
5. Definition of Trade and main hindrances of Trade.
6. Differences between Trade, Business and Industry.
7. Home Trade. Channel of distribution in Home Trade. Factors of channel of distribution.
8. Middlemen (brokers, factors, commission agents, del credere agents, auctioneers, warehouse keepers).
9. Wholesalers. Their characteristics and functions.
10. Retail Traders. Functions of Retailers.
11. Types of small scale retail organizations.
12. Trends in retail industry.
13. Large scale retailers. Features of Departmental Stores, their advantages and disadvantages.
14. Multiple shops, their features, advantages and disadvantages
15. Consumers’ cooperative stores, their advantages and disadvantages
16. Hire purchase trading houses, their advantages and disadvantages
17. Recent developments in Commerce. Business applications
18. E-commerce. Advantages and disadvantages.
19. Aims and needs of foreign trade
20. International Trade. Merits
21. International trade. Demerits
22. Import trade
23. Intermediaries involved in import trade
24. Export trade
25. Intermediaries involved in export trade
26. Explain Oligopolistic market and types of Oligopoly.
27. The inverse demand function is P=65-Q. Firm 1 has a constant unit cost of production equal to 3 and firm 2 has the following cost function C=5+5q2+q22. What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
28. The demand function is Q=67-P. Firm 1 has a constant unit cost of production equal to 3 and firm 2 a constant unit cost of production equal to 9. What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
29. Explain what is cartel and why they are illegal? State possible penalties for cartels.
30. Explain due diligence process during merger and acquisitions.
31. The inverse demand function is P=52-Q. Firm 1 has a constant unit cost of production equal to 5 and firm 2 a constant unit cost of production equal to 8. What are Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
32. Main features of Oligopolies.
33. The steps for M&A. Overall process.
34. The inverse demand function is P=78-Q. Firm 1 has a constant unit cost of production equal to 6 and firm 2 has the following cost function C=4+3q2+q22. What is Cournot equilibrium.
35. Explain what is cartel and why they are illegal? State possible penalties for cartels.
36. Define Merger and Acquisitions. Explain their categories.
37. Market demand is Q=76-P. there are 2 firms. Firm 1 has a constant unit cost of production equal to 4+a and firm 2 has a constant cost of production equal to 3, a>0. How does firm1’s output change with a?
38. Cournot and Stackelberg models of Oligopoly
39. The reasons for mergers to fail. Problems in achieving success.
40. The demand function is Q=102-P. Firm 1 has a constant unit cost of production equal to 4 and firm 2 a constant unit cost of production equal to 11. What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
41. Explain Kinked demand curve.
42. Explain reasons for Mergers and Acquisitions.
43. The inverse demand function is P=56-Q. Firm 1 has the following cost function C=2+4q1+q12 , Firm 2 has a constant unit cost of production equal to 6. What is the Stackelberg equilibrium if firm 2 moves first?
44. Prisoner’s Dilemma and its application to business decisions.
45. The steps for M&A. Overall process
46. The inverse demand function is P=82-Q. Firm 1 has the following cost function C=3+6q1+q12 , Firm 2 has a constant unit cost of production equal to 7. What is the Stackelberg equilibrium if firm 1 moves first?
47. Compare Cournot and Stackelberg models and draw the graphs.
48. Explain reasons for Mergers and Acquisitions.
49. The demand function is Q=76-P. Firm 1 has a constant unit cost of production equal to 6 and firm 2 a constant unit cost of production equal to 3. What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points.
50. The demand function is Q=84-P. Firm 1 has a constant unit cost of production equal to 12 and firm 2 a constant unit cost of production equal to 7. What is Cournot equilibrium and the Stackelberg equilibrium? Draw the reaction functions of the firms and show necessary points?
51. Company Sales(thousands of dollars)

Company A - 750 Company E - 125

Company B - 500 Company F - 135

Company C - 250 Company G - 125

Company D - 125 Company H - 125

Companies C, F and H decide to merge. are proposing to merger. What is new HHI index if the merger takes place? What is the decision of Federal Trade Commission?

1. Financial performance analysis of the firms.
2. Explain BCG matrix.
3. ABC company is considering the purchase of testing equipment that will cost $500,000 to replace old equipment. Assume the new machine will generate after-tax savings of $250,000 per year over the next four years. If r is 15% , what’s Net Present Value of the investment?
4. Explain Strategic planning.
5. firm’s marketing strategies.
6. An industry is made up of 8 firms with the following percent market shares: 29, 20, 11, 10, 9, 8, 7, 6. What is the HHI index in this industry? The firm with 8 and 7 percent market share are proposing to merger. What is new HHI index if the merger takes place? What is the decision of Federal Trade Commission?
7. Explain the HHI index and general rules by Federal Trade Commision.
8. Capital budgeting tools. Net Present Value, Payback- Period, Profitability index and Accountability index.
9. The ABC Corporation is considering an investment that will cost $80000 and have a useful life of 4 years. During the first 2 years, cash flows are $25000 per year and for the last 2 years they are $ 20000 per year. What is the payback period for this investment?
10. Financial performance analysis of the firms and its significance.
11. Calculate the HHI of an industry with the following distribution of sales: 40%, 25%, 3%, 35%. The firm with 3 and 35 percent market share are proposing to merger. What is the decision of Federal Trade Commission?
12. Explain BCG matrix.
13. A project with a 3 year life and a cost of $26,000 generates revenues of $9,000 in year 1, $17,000 in year 2, and $18,000 in year 3. If the discount rate is 3%, what is the NPV of the project?
14. Compare these 2 projects. Find NPV. And decide which of the to choose.

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Cash Flow ($) | Discount factor 5.3% | PV |
| 0 | -800000 |  |  |
| 1 | 230000 |  |  |
| 2 | 35000 |  |  |
| 3 | 400000 |  |  |
| 4 | 140000 |  |  |
| 5 | 180000 |  |  |
| 6 | 250000 |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Cash Flow ($) | Discount factor 5.3% | PV |
| 0 | -500000 |  |  |
| 1 | 120000 |  |  |
| 2 | 14000 |  |  |
| 3 | 700000 |  |  |
| 4 | 250000 |  |  |
| 5 | 270000 |  |  |
| 6 | 300000 |  |  |

1. The sales in the industry are as follows: $200000, $600000, $100000, $800000, $700000. Find HHI index and C4. The firms with $600000and $100000 sales supposed to merge. Explain the decision of Federal Trade Commission.
2. Determine the net present value for a project that costs $110,000 and would yield after-tax cash flows of $16,000 the first year, $18,000 the second year, $15,000 the third year, $14,000 the fourth year, $23,000 the fifth year, and $33,000 the sixth year. Your firm's cost of capital is 6%.
3. Company Sales(thousands of dollars)

Company - 340 Company E - 90

Company B - 200 Company F - 140

Company C - 12 Company G - 125

Company D - 136 Company H - 125

Companies E, and H decide to merge. are proposing to merger. What is new HHI index if the merger takes place? What is the decision of Federal Trade Commission?

1. Explain liquidity and activity ratios
2. Two projects are given. The first project is expected to yield cash flows of £15,000 annually for the next 4 years. The initial cost of the investment is £14,000. The second project is expected to yield cash flows of £12,000 annually for the next 6 years. The initial cost of the investment is £19,000. Compare these 2 projects and explain which is more worthwhile by calculating accounting rate of return.
3. Explain net present value and calculate the following problem:

A project with a 15 year life and a cost of $200,000 generates revenues of $22,000 each year. If the discount rate is 7%, what is the NPV of the project?

1. The sales in the industry are as follows: $220000, $300000, $120000, $80000, $650000. Find HHI index and C4. The firms with $220000 and $80000 sales supposed to merge. Explain the decision of Federal Trade Commission.
2. Explain profitability index and calculate the following problem:

Company A is undertaking a project at a cost of $45 million which is expected to generate future net cash flows with a present value of $75 million. Calculate the profitability index.

1. Compare these 2 projects. Find NPV. And decide which of the to choose.

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Cash Flow ($) | Discount factor 3.4% | PV |
| 0 | -800000 |  |  |
| 1 | 230000 |  |  |
| 2 | 45000 |  |  |
| 3 | 330000 |  |  |
| 4 | 140000 |  |  |
| 5 | 200000 |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Year | Cash Flow ($) | Discount factor 3.4% | PV |
| 0 | -600000 |  |  |
| 1 | 120000 |  |  |
| 2 | 17000 |  |  |
| 3 | 700000 |  |  |
| 4 | 250000 |  |  |
| 5 | 320000 |  |  |

1. The ABC Corporation is considering an investment that will cost $120000 and have a useful life of 6 years. During the first 3 years, cash flows are $25000 per year and for the 4th year 32000 and for the last two years they are $ 20000 per year. What is the payback period for this investment?