

Discussion on Principles of Industrial Economies

Introduction:

Industrial organizations deal with the strategies that the firms planned. It is the set of economic theories that describe and attempt to predict the nature of a firm in terms of existence, structure, behavior and its relationship to the Industrial organizations applies the economic theory regarding model of the price to industries. Industrial economy is a wide term in the market of industries. It deals with the economic problems of the firms and industries. It provides to the industrialists the information about the survey of industrial and commercial organization of their own countries.

Traditionally the economic analysis of industries was never recognized as a separate or distinctive branch of economics. It is referred as the same branch. It does not include the separate principles, but includes separate or differentiated microeconomics.

Industrial economy is simply in shorter term is the application of the microeconomic based theory on the analysis of firms, markets and industries as one.

The term industrial organization is mostly termed as similar to industrial economy. But industrial economics has two parts one is industrial organization and the other is industrial dynamics.

It includes all the markets, industries and firms. The study of all these is termed as a part of the industrial economy. It includes all areas of industries. Industrial economy is used to keep an eye on the activities of the industries. It helps to make strong competition in market. Industrial economy not only considers the profit maximization, it helps to increase the market share of industries. It identifies the relationship between variables like product price, advertising and profits.

One of the principles of industrial economy is to increase the market growth of the business. It is the first and foremost principles of industrial economy. Industrial economy helps the people in getting the job for unemployed people. It helps to increase

the job opportunities to the youth/ this principle of the industrial economy is going well. People are taking the benefits of this principle.

Industrial economy contains the study of great number of industries. The principle of industrial economy is to make the whole industries as one market. It makes the whole market as one industry. Industrial economy includes all of the industries. It includes all the different firms, industries and businesses.

Industrial economy came into existence with the principle of making the competition easy for the industries. All the different industries when come into one market of industrialization, then it became easy to look at all the activities of different industries. Industrial economy not only compares the same product industries. It compares all the different industries with each other.

Another principle of industrial economy is to increase the market share. Traditionally, the motive of industries was to compare the profit of the firm or industry with each other. But the industrial economy not only considers the profit of industries. It compares the market share of each industry. The industries are now working for increasing their market share. With the help of this market share, industries last longer in the market. If any industry have stronger market share, only then it can give better returns on investments.

Another principle of industrial economy is to take a look on the independency of the firms or industries. For increasing the market share objective, industries start producing good quality and large amount of goods in sufficient price. So, the country has not to depend on imports from outside countries. It makes the country independent for the goods production.

Industrial economy provides workers the better conditions for working. Industrial for staying in the market, industries needs better workers. If the conditions are not better, the workers will not stay in that industry. If best worker will stay in the industry, then that industry will participate in the best economy of the industries.

The principle of industrial economy is to give benefits not only to seller, but the buyer also. It considers the benefit for whole society. Business organizations adopt the strategies of low price product for attracting the customers. The customers can achieve the products at low price with good quality. It helps the poor people to get the products easily at low price.

Industrial economy helps the investors to look for the best investment project. Investors are always interested in the return for their investments. They always prefer for the best interest or dividend in the industries. It provides the information about financial position of the industries with comparison to all industries. It provides the information about how longer the industry will remain in the market. Investors can take benefit of the industrial economy to take decision of where they should invest to get the better returns.

Another principle for the basis of which industrial economy was formed is the development of satisfactory explanations of the ways in which all the economic forces will operate in the one industrial area. This is as similar to the principle fixed by microeconomics theory, but it includes some extra benefits because it includes all the theoretical approaches, that are not the part of microeconomics theory.

The aim of the industrial economy is same as the other economies, that is to draw, explain and describe the conclusions on the basis of which scarce resourced are planned to use. This is the criteria through which it judges all the industries.

The branch of industrial economy deals with the concepts and analysis of the demand, profit, competition and cost. There are many other elements that are included in the part of industrial economy. These elements are used for taking the decision for the firm or industry. The industrial economy does not start with the assumption of increasing or maximizing the profit. The principle of industrial economy is to understand the present working conditions and explaining it. After this, it gives the information about taking the necessary steps to work better in the economy. It emphasis on the idea of what actually happens.

Conclusion:

Industrial economy can be considered as the empirical discipline which has both the micro and macro aspects. But the focus is towards the application of microeconomics principles of the industries. The useful application of industrial management and public policies can be taken or acquired from the industrial economy. It provides the status for the specialist project. The industrial economy is more concerned with the analysis of those markets for which the traditional competitive models are inadequate.

References:

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