Final Presentation

Jianing(Catherine) Tian

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Interested in Economics 、Media and Arts

Jianing(Catherine) Tian is a freshman at Duke Kunshan University. She is interested in Economics and Media and Arts. They seem like two different majors, but she wants to explore both. She thinks economy is not only essential for her future academic but also a tool that will help a lot in her later career and life.

She wants to develop an ability to think like an economist. Besides, she truly expects to learn more about what the economy is and how principles relate to real life. So she chose ECON101.

She is a sports and music lover. She plays keyboards and enjoys playing basketball. (though she is not tall) She hopes that she can find someone who has the same interest with her.

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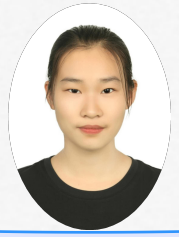
Marginal Thinking In Real Life



Jianing Tian

Marginal thinking means that decision-makers evaluate if the benefit of one more unit of something is greater than its cost.Just take chemistry test as an example. When we are required to choose specific temperature to get the maximum equilibrium conversion rate. We need to consider both the rate and efficiency. Sometimes the temperature the machine works on is 400 degree celsius, and the equilibrium conversion rate is 99.5%. But when it comes to 600 degree celsius, the rate increases only a tiny bit to 99.8%. Even if you consume much more energy since the temperature is much higher, the benefit that the outcome shown is marginal. So in this case, we normally choose 400 instead of 600 to maximize the profit.That is to say whenever we decide something, we need to consider that whether marginal benefit is greater than marginal cost.

How Market Works

Round Table Conversations

Author: Jianing(Catherine) Tian

Contributor 1: Yuming(Lisa) Gong

Contributor 2:Hengchen(Tim) Liu

Contributor 3:Yuxi(Trudy) Jiang

Contributor 4:Yutong(Danah) Jin

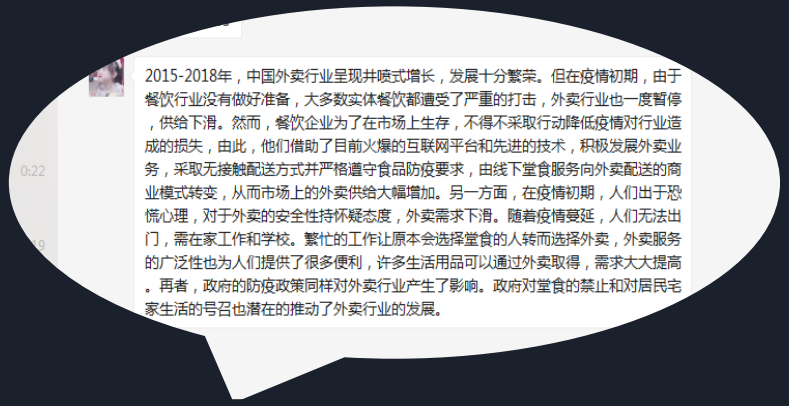
Summary

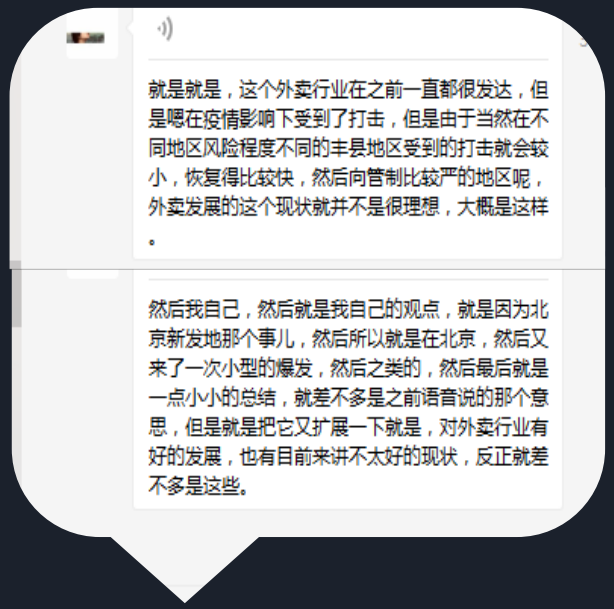
Due to the outbroke of COVID-19, various economic indicators were affected to a different degree. The sector most hit, namely the tertiary industry (consumption and services). Our group focused on the trend of demand and supply of take-out services. The equilibrium price stayed the same in both low-risk and high-risk areas after great changes. However, the quantities were not the same because when low-risk areas people were free to order food online, high-risk areas people are forbidden to buy take-out food. Thus, the quantities of the low-risk areas increased while decreased in the high-risk areas.

So since people will face different unknown challenges, we always need to grab suitable methods to overcome it.

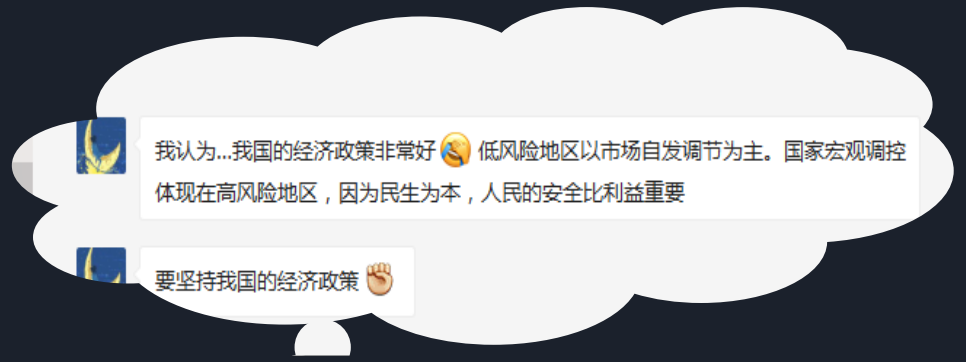
Conversations: Outside Shock

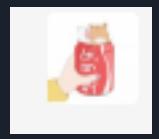
Despite of some different ideas, we all agree that during the COVID-19, the tertiary industry has been affected. Turnover almost felt to the freezing point. However, under the guidance of the government, macro-control was applied to high-risk areas while low-risk areas used spontaneous regulation.





From my point of view, new models of economics should be developed such as zero distance contact take-out service or robots that can deliver goods.





In my opinion, consumers are afraid of infecting the virus, such as we can see much news which tells us virus can spread through the exchange of goods, that may become the reason why people do not want to buy food online.

Conversations: Supply and Demand Change

Hengchen: In low-risk areas, while people were facing with the COVID-19, they were more willing to stay at home. Thus there would be more demand for food delivery service.

Yuming: I agree with Hengchen. To meet the increasing demand, the supply increased as well.

Yutong: As for people living in high-risk areas, things became a little different. They were forbidden by the local government from buying take-out food. So they couldn't buy take-out food.

Yuxi: In this case, the demand dropped sharply. For companies that faced bankruptcy, they needed to decrease the supply to save more money. That is to say, in this case, both the demand and supply decreased.

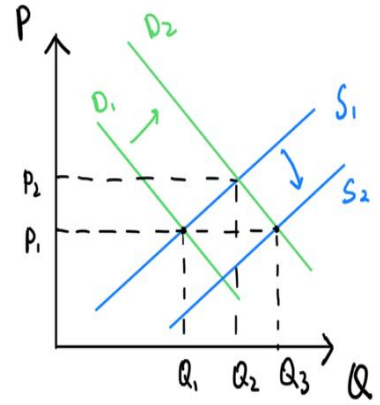
Jianing: From the discussion above, we can see the different areas faced with different conditions which led to diverse results.

Conversations: Equilibrium Price and Quantity Change

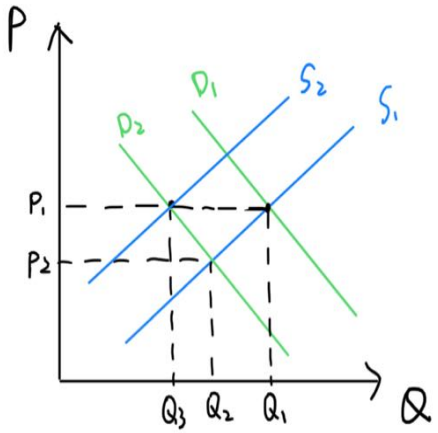
Yutong: In the low-risk areas, the supply did not change because companies did not foresee the pandemic at the very beginning. So the only change was the increase in demand. In this case, both the equilibrium price and quantity increased.

Jianing: To meet the increasing demand, companies increased the supply later. Thus, the equilibrium price decreased back to the original level while quantity kept on growing.

Yuming: On the opposite side, the high-risk areas witnessed a sharp decrease in both demand and supply so equilibrium price decreased first then back to normal while quantity decreased dramatically.



Low-risk areas



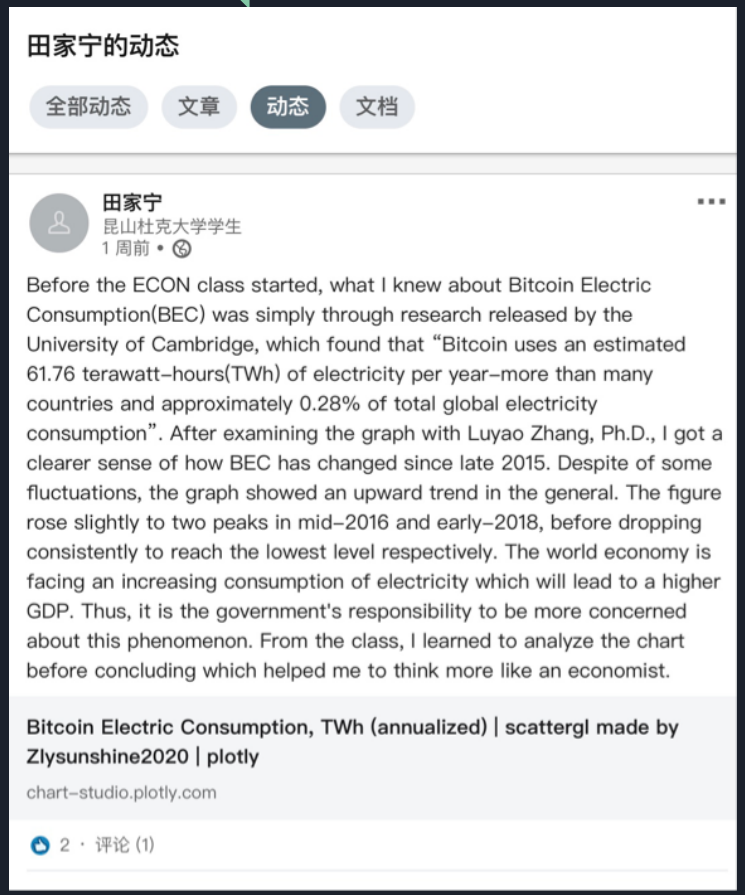
High-risk areas

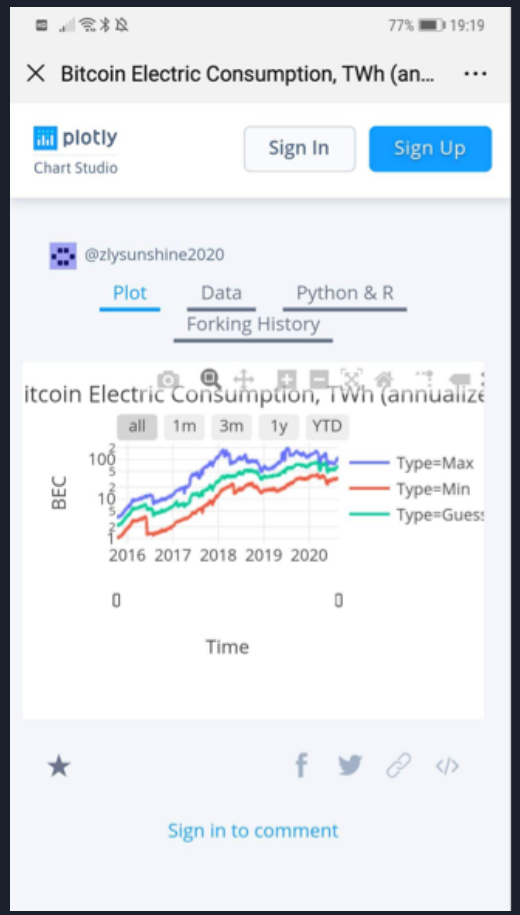
Consumer Surplus, Producer Surplus and Total Surplus

As we could clearly see from the black dots from the graph, consumer surplus in low-risk areas increased while producer surplus increased as well. Since both consumer and producer surplus increased, the total surplus increased in the end.

However, the consumer surplus, producer surplus, and total surplus in high-risk areas are exactly contrary to the results in low-risk areas. Both supply and demand decreased, leading to a result of all surplus decreased.

LinkedIn Post





Before the ECON class started, what I knew about Bitcoin Electric Consumption(BEC) was simply through research released by the University of Cambridge, which found that “Bitcoin uses an estimated 61.76 terawatt-hours(TWh) of electricity per year-more than many countries and approximately 0.28% of total global electricity consumption”. After examining the graph with Luyao Zhang, Ph.D., I got a clearer sense of how BEC has changed since late 2015. Despite of some fluctuations, the graph showed an upward trend in the general. The figure rose slightly to two peaks in mid-2016 and early-2018, before dropping consistently to reach the lowest level respectively. The world economy is facing an increasing consumption of electricity which will lead to a higher GDP. Thus, it is the government's responsibility to be more concerned about this phenomenon. From the class, I learned to analyze the chart before concluding which helped me to think more like an economist.

https://www.linkedin.com/in/家宁-田-8752851b8/detail/recent-activity/shares/
https://chart-studio.plotly.com/~zlysunshine2020/47/#/plot

Reflections on Economics Course

In the class ECON 101, I have learned some basic knowledge about the principles of economics. I gradually managed to analyze the economical charts and graphs, which helped me fully understand the definition and usage of specific proper nouns. The class also made me think like an economist whenever I came across difficulties. In the future study, I would like to seek more in economics and try my best to be a better economist.