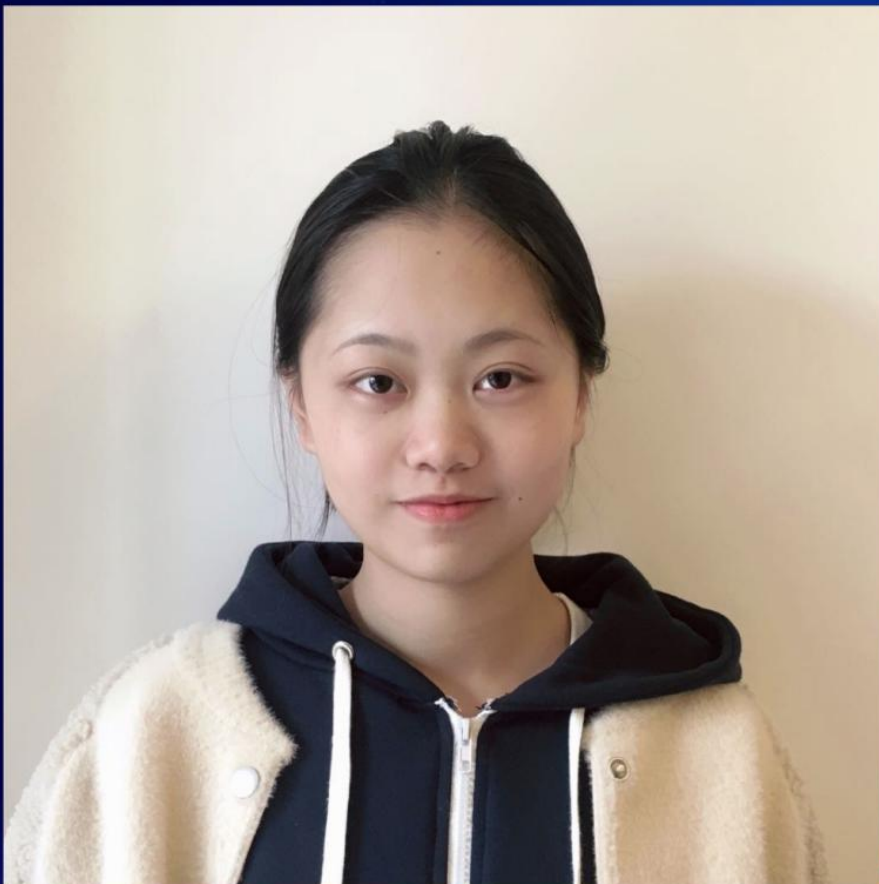


**Final presentation**



# Zi Xun

Interested in economics , psychology and mediart



Xun Zi,a freshman in Duke Kunshan University.In this year,she hopes to try as many areas of expertise as possible to find her major.Economics is her priority.While she is not so good at science,she is willing to try and meet challenges.Also,she is a problem-raiser and problem-solver when confronted with difficulties. In this class,she wants to walk out of the comfort zone and think out of the box.She wants to learn as much economic knowledge as possible and apply it in real life to help her make better decisions,which broaden her horizons.Finally,be a economic elite you see on TV series,hahahahahahaha.

Email:zi.xun@dukekunshan.edu.cn

Undergraduate Class of 2024 | Duke Kunshan University

# Opportunity cost in real life



Zi Xun

We must give up something when we want to obtain some item. To get something that we like, we usually have to give up something else that we also like. Take myself as example, when I entered the university, how to allocate my time is a very important topic. I should divide the time between rest and recreation into reading and homework. Another thing is that I will give up a good night of drama watching so that I can go to bed early and get up early to recharge my batteries and ensure the quality of my classes. If I allocate most of my time to learn theoretical knowledge, then I will not have time to practice, to do part-time job, or to earn pocket money. Whatever my decision is, it should depends on the costs and benefits of alternative courses of action.






# How Market Works

Round Table Conversations

Zi Xun



# Summary

The topic of our group discussion is the mask market under the epidemic situation.

**Background:** In January 2020, coronavirus broke out, at different development stages of the epidemic, people's demand for medical supplies has also changed.

Through this research, I got to know many factors that influence economic development. It would be natural reasons, population size, culture, education, science, and technology, etc. I also learnt that supply and demand affect price tremendously and equilibrium price means where supply and demand intersect.

## **Research questions:**

1. What's the outside shock in this case?
2. How do supply and demand change in this case?
3. How does the outside shock influence the supply and demand of the commodity in this case?
4. Analyze the equilibrium price and quantity change?



# Conversations: Outside Shock

Lei: In this case, outside shock can be divided into two parts. On the one hand, there are domestic reasons, on the other hand, there are foreign reasons.

Xun: That's right. When it comes to domestic reasons, at the start of the epidemic, people's panic and government's call led to a huge increase in demand for masks, stimulating prices and production increases. At the same time, the blind obedience and unreasonable competition of some enterprises and businesses are also driving up the price of masks.

Wang: Yes. Because of the efficient productivity of our country, part of our masks should be exported into other countries which are also under threat.



# Conversations: Supply and Demand Change

Xun: At the start of the epidemic, due to people's panic, the demand for the masks has increased greatly, so the demand has exceeded the supply, leading to the large-scale production of masks by businesses.

Lei: At the height of epidemic, there appeared phenomenon that as the price went up, the demand rose at the same time.

Li: With the development of the epidemic, more and more people wanted to make a fortune from the epidemic, which led to a mountain of medical supplies, such as masks, and an eventual oversupply.

Wang: When the epidemic was controlled, the need for masks was slowly diminishing. But there were still many inventory in stock, so the supply exceeded demand and prices fell.

Xun: Eventually, when the epidemic passed completely, the price returned to the origin, the supply and demand relation also returned to the balance.

# Conversations: Equilibrium Price and Quantity Change

First, let's see picture 1.

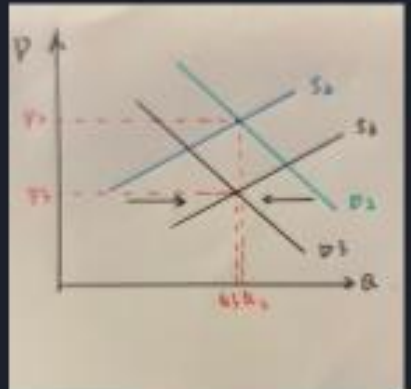
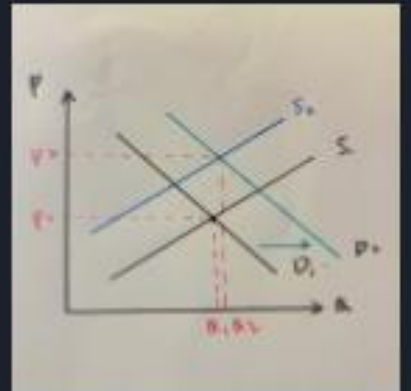
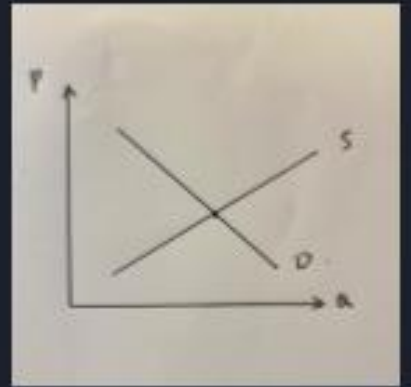
As usual, the supply increases with the price rises and the demand decreases with the price rises.

Then, let's see picture 2.

The demand increased dramatically while the supply decreased due to the shortage of medical supplies. The price increased from  $P_1$  to  $P_2$ .

Further, we have a look at picture 3.

Massive production increased the supply, while the demand decreased as the epidemic improved. As a result, the price decreased from  $P_2$  to  $P_3$ .





# Cs and ps

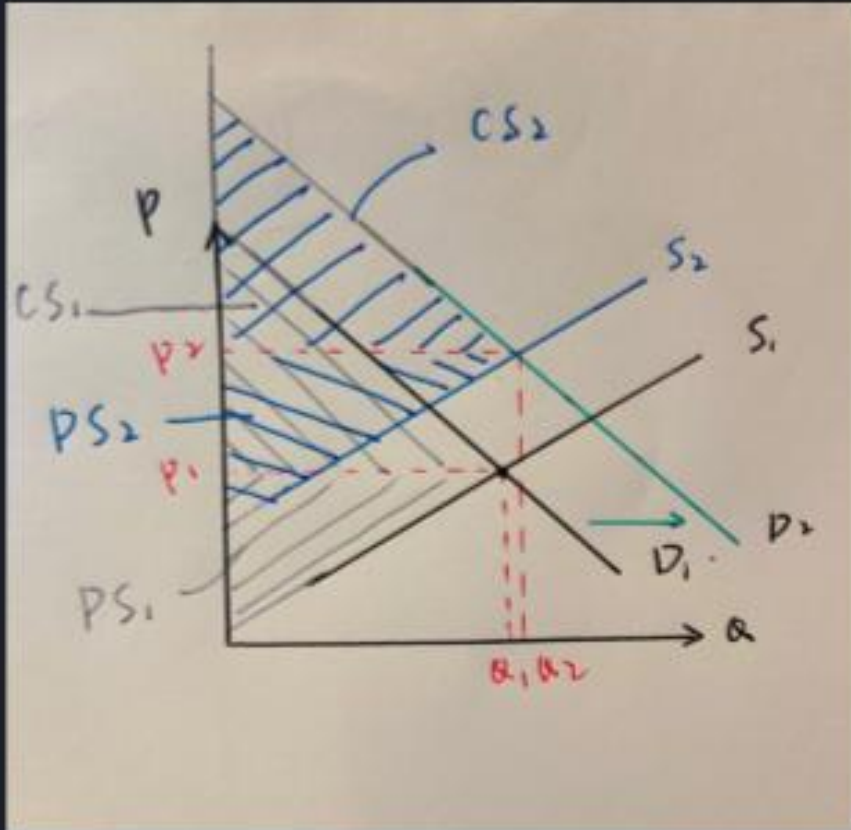


Figure 1

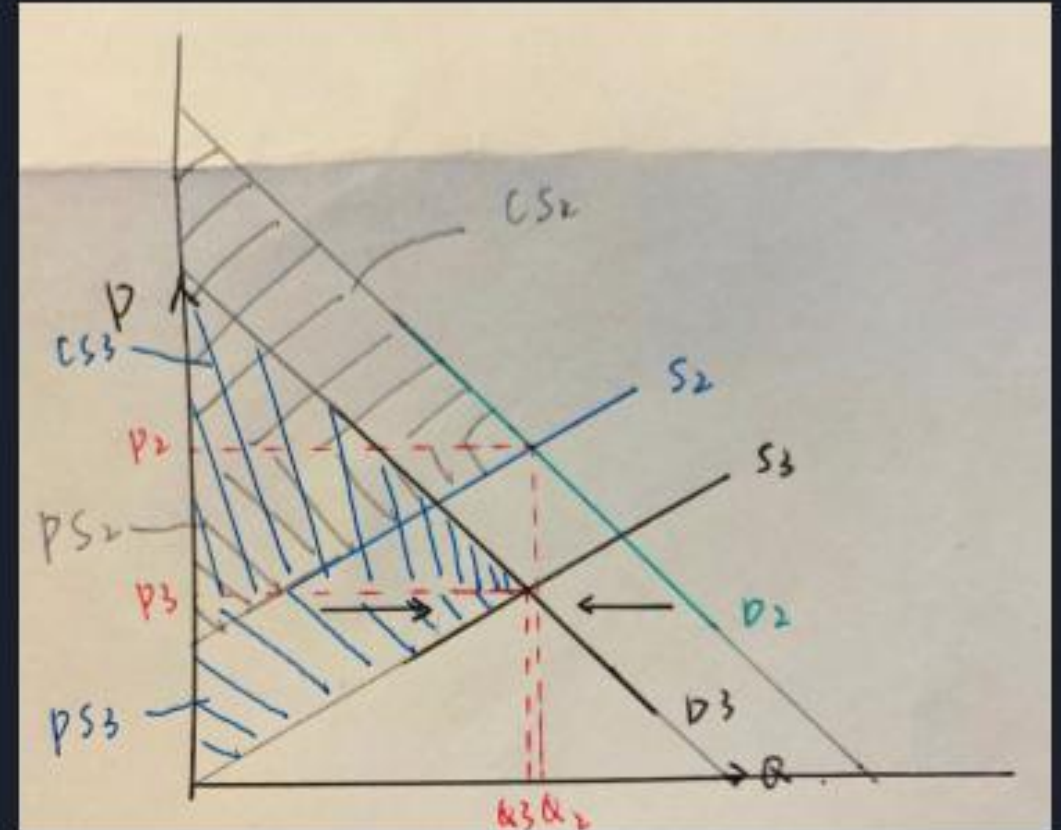



Figure 2

Foreign direct investment (FDI) refers to the economic investment made by foreign enterprises to obtain profits in the local area. The early stage is in a slow ascending stage, mainly concentrated in North America and Australia. It surged around 2004 and then fluctuate a lot. At first, There was no data for China, but later, because of the reform and opening up, the net inflow began to increase. For our country, FDI gives rise to


1. increasing domestic investment and promoting capital formation.
2. Absorbing labor force for employment;
3. Promote the upgrading of China's industrial structure and promote the development of foreign trade.





From my perspective, the ultimate goal of economics is the road to happiness. Not wealth maximization, but happiness maximization. Economics is telling people how to get the most happiness or the least pain with the limited resources.

And the most important thing is: everything will be solved.



Being a economist is very cool, economists are all excellent problem-raiser and problem-solver. I want to be a economist is because I want to walk out of my comfort zone and think out of the box. I hope I can have the capability to analyse and overcome when I am confronted with problems.

If I would receive Nobel Prize, my purpose is to help people with financial issues and my ultimate goal is leading everyone to the road of happiness, because the meaning of economics is not wealth maximization, but happiness maximization. Economics is telling people how to get the most happiness or the least pain with limited resources. It is not how much I earn that count, but what I provide for the world that matters.



**Thank uuuuu**

Zi Xun