

Update on the Essential of Economics

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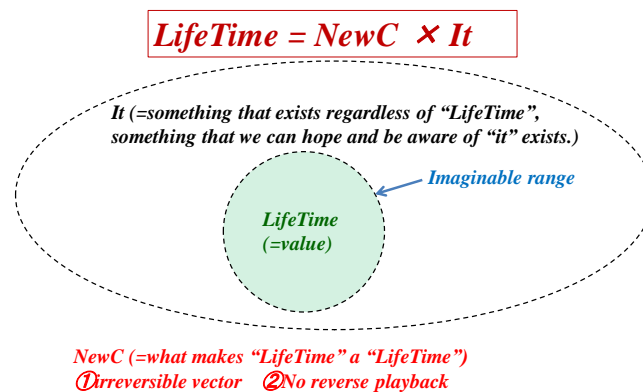
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Abstract

Understanding the money created from barter is essential in economics. In economics, the purchase price is made up of the exchange fee (intermediate fee) and the product price, but the price posted on the product in many stores is easily misunderstood because it includes the exchange fee to make it easier for consumers to understand the price of the product.

Often misunderstood, the price a consumer pays for a product is not only the price of the product itself. In general, paying for a product consists of two elements ; (1) the price of the product itself (2) the 'exchange' for it to become one's possession. In general, buying and selling with a trading partner means that a transfer of ownership of the subject goods is occurring. In addition, there seems to be a certain market rate in various industries for the ratio of the ownership transfer price to the price of the subject commodity. In addition, there are various agents and wholesalers involved in the process from the manufacturer to the consumer. The term "indirect purchase" can be used to describe the method in which consumers purchase products from manufacturers through various distributors and wholesalers, while "direct purchase" can be used to describe the method in which consumers purchase products directly from manufacturers without going through distributors and wholesalers. However, in some cases, manufacturers apply a standard price (also known as a fixed price) that is different from the wholesale price for direct consumer purchases. Also, unlike direct purchases, indirect purchases involve a variety of agents and wholesalers between the manufacturer and the consumer, so the same product can be said to have a "higher added value" than direct purchases.



$$Money = Exchanging \text{ (purchase)} \times Something \text{ (products, information, etc)}$$

Fig.1 Money Image