



STUDYDADDY

**Get Homework Help
From Expert Tutor**

Get Help

[**Note:** To complete this template, replace the bracketed text with your own content. Remove this note before you submit your paper.]

Economic Analysis Report: Tesla, Inc.

Najee, Alim-Frazer
Southern New Hampshire University
ECO 201: Microeconomics
Prof. Kevin Fort
April 27, 2025□

Economic Analysis Report: Tesla, Inc.

Tesla, Inc. is an American electric vehicle and clean energy company headquartered in Austin, Texas. Founded in 2003, Tesla designs and manufactures electric vehicles, battery energy storage solutions, and solar products. I chose Tesla because it is a leader in innovation and has dramatically shaped the future of transportation and clean energy. Their fast growth and focus on sustainability make them an exciting company to study through a microeconomics lens.

Comparative Advantage and Specialization

Tesla's specialization lies in electric vehicle (EV) technology, battery innovation, and autonomous driving software. By focusing on these areas, Tesla has gained a strong comparative advantage in the EV market. Examples of Tesla's trading partners include Panasonic, which supplies battery cells for Tesla vehicles, and CATL (Contemporary Amperex Technology), another key battery supplier. By relying on specialized suppliers for components like batteries, Tesla can concentrate on assembling vehicles and refining software, leading to greater efficiency and quality.

Price Elasticity

[Insert your response to the prompts: Identify the determinants of price elasticity of demand for your selected company. Provide examples from your research to illustrate.

Also, explain how price elasticity of demand affects pricing decisions and total revenue of your selected firm. Provide examples from your research to illustrate.]

Government Policies and Price Equilibrium

[Insert your response to the prompts: Evaluate the potential impacts of policy interventions on the supply and demand equilibrium for a product/service sold by your selected company. Provide examples from your research or from the textbook.

Also, explain how government policy interventions can cause changes in consumer and producer surplus for your firm. Provide examples from your research or the textbook to illustrate.]

Costs of Production and Decision Making

[Insert your response to the prompts: Describe the difference between variable costs and fixed costs.

Then, identify some of the fixed costs and variable costs that apply to your company. You can find this information in the company's financial reports.

Finally, explain how a company makes the decision to produce, shut down in the short term, or exit the market based on these cost considerations. Provide examples from the textbook to illustrate.]

Market Structures

[Insert your responses to the prompts: Identify the differences between the four market structures and how they impact profitability addressing the following questions: Which market structures have barriers to entry and exit? How are the market types profitable in the short and long run? How is the profit-maximizing quantity determined in each market type? How is the price determined in each market type? Are the firms price takers or price makers?

Next, identify the type of market structure in which your company competes. Defend your claim by demonstrating the features of that market structure.

Then, explain how inefficiencies arise from monopolies and monopolistic competition. Provide examples from the textbook to illustrate.

Finally, analyze how firms in an oligopolistic market set prices. Provide examples from the textbook.]

Microeconomics Principles and Business Decisions

Understanding microeconomics helps Tesla make informed decisions about pricing, production, and market expansion. For instance, knowing that EV demand is relatively price inelastic allows Tesla to strategically adjust prices during supply shortages. Additionally, being aware of government incentives helps Tesla anticipate shifts in demand. Future trends, such as stricter emissions laws or battery technology breakthroughs, could further impact Tesla's decisions on investment, pricing, and market entry.

References

Mankiw, N.G. (2024). Principles of economics (10th ed.). Cengage.

Tesla, Inc. (2023). Annual Report. Retrieved from <https://www.tesla.com>

[Include any additional references cited in your paper in full APA format. Don't forget to include in-text citations as well.]



STUDYDADDY

**Get Homework Help
From Expert Tutor**

Get Help