Index

3D design, 307
3D printing, 308
5G, 541, 618, 657, 658, 659, 660, 661, 662, 666, 667, 735
5G technology, 541
AAA rating, 120
abnormal profit. See supernormal profit
abstraction, 220
adjusted coefficient of determination (adj. $R^2$), 239
adjusted PED, 177
advanced data analytics, 19, 549
adverse selection, 55, 57, 58, 59, 61, 90, 313, 466, 689, 690
Aetna, 541
age restrictions, 166, 198
agency problem, 33, 34, 38, 42, 51, 53, 54, 56, 59, 69, 73, 74, 76, 84, 88, 89, 90, 91, 120, 121, 544
agency theory, 39
air travel, 180, 187
Akerlof, G., 93
Alcoa, 707
alcohol, 10, 166, 197, 198, 203, 205, 207, 210, 211, 212, 213, 214, 215, 219, 221, 226, 263, 266, 600, 672, 678, 686, 694, 695, 696, 730
Aldi, 412, 413, 450, 454
algorithms, 19, 20, 22, 82, 313, 314, 549, 705, 737
Alibaba, 371
allocative efficiency, 420, 435, 677, 697. See efficiency
alphabet, 546, 708, 725, 726
Aeschylus, 145
Akerlof, G., 93
Alcoa, 707
algorithms, 19, 20, 22, 82, 313, 314, 549, 705, 737
Amtrak, 714
analysis of variance, 228
anchoring effects, 122
Android, 277, 521, 522, 708, 726, 731
Anglo-Saxon model (ASM), 699
ANOVA. See analysis of variance
anti-smoking policy, 19
anti-trust legislation, 142
Apple, 10, 75, 76, 277, 371, 373, 402, 426, 519, 521, 522, 523, 524, 550, 555, 556, 557, 658, 725, 731, 736
appraisal tendency framework (ATF), 124
arbitrage, 565, 568, 572, 573
arc elasticity, 177
Ariely, D., 93, 145, 146, 614
Artificial Intelligence (AI), 4, 5, 6, 19, 64, 82, 273, 310, 312, 313, 314, 523, 549, 735, 737
Asda, 411, 412, 413, 414, 450, 454, 527, 531, 540, 544, 545, 558, 707, 726, 731
assembly line, 273, 341

asset bubbles, 119
asset specificity, 43
assumptions regarding the error term, 208, 232
asymmetric attribution, 78, 117
asymmetric information, 48, 55, 56, 58, 61, 64, 76, 90, 533, 535, 600, 674, 679, 686, 689, 691, 692, 729
AT&T, 388, 541, 550, 658, 732
attitudes to risk, 54, 74, 75, 128, 131, 496
attraction effect. See decoy effect
Auden Mckenzie, 709
auditing, 35, 37, 38, 69, 89, 693
autocorrelation, 251, 260, 261
automation, 6, 22, 203, 270, 295, 305, 307, 308, 309, 310
autonomous vehicles, 3, 4, 5, 7, 8, 22, 32, 272, 314, 426, 523, 531, 541, 543, 554, 625, 658
availability heuristic, 116
available seat miles (ASMs), 389
average fixed cost (AFC), 332, 334
average product (AP), 332
average revenue per user (ARPU), 25
average total cost (ATC), 332
average variable cost (AVC), 332
Axelrod, R., 516
backward integration, 22
backwards induction, 484, 489, 504, 507, 510, 513, 651
bad debts, 69
bailout, 373
bait-and-add, 77, 78
bait-and-switch, 77, 78
bans, 142, 198
bargaining costs, 42
barriers to entry, 410, 415, 471, 474, 488
barriers to exit, 426
BASF, 703
Baumol, W., 458, 516
Bayesian, 102, 112, 144
Beecching Report, 619
beer, 111, 180, 211, 214
behavioural aspects, 4
Behavioural Insights Team, 140, 148
benefit advantage, 526, 527, 528, 529, 530, 531, 532, 537
benefit-to-cost ratio (BCR), 622
Bertrand model, 470, 474, 477, 506
best linear unbiased estimators (BLUEs), 254
best response function, 471
beta coefficient, 638, 641
Bezos, J., 23, 103, 687, 744, 748, 751
bias. See psychological biases
big data, 19, 57
biological fitness, 135
Birds Eye Walls (BEW), 708
BlackBerry, 519, 521, 555
BMW, 323, 324, 325, 527, 528, 529, 530
Boohoo, 306, 319
bounded rationality, 11, 33, 39, 55, 56, 64, 74, 80, 87, 115, 129, 143, 147, 460, 510, 513, 514, 515, 532, 751
brand loyalty, 70, 178, 243, 554, 555, 563, 564, 585, 589, 597, 609
Brandenburger, A., 558
break-even output, 351, 352, 353, 357, 365, 367, 404
Brexit, 10, 151, 152, 153, 154, 156, 169, 202, 308, 320, 322, 323, 324, 326, 367, 413, 485, 541, 569, 738
British Gas, 721
broad coverage, 530, 537
Brynjolfsson, E., 319
budget line, 105, 106, 109, 299, 300, 302
business model, 9, 20, 21, 23, 24, 25, 27, 28, 32, 35, 38, 88, 319, 522, 524, 548, 550, 552, 556, 625, 673, 675, 727
by-products, 344, 357. See joint products
cap and trade, 756
capacity planning, 267, 303, 317
capital asset pricing model (CAPM), 637, 641
capital markets, 343
carbon capture, 393, 752, 753, 756, 758
carbon capture and storage (CCS), 393, 753, 756
carbon emissions, 394, 621, 753
carbon footprint, 596, 663
carbon pricing, 755, 756, 761
cardinal, 103, 218
Carillon, J., 10, 33, 35, 36, 37, 38, 60, 69, 88, 91, 344
Carrefour, 411, 412, 413, 414, 454, 457
cartel, 443, 444, 471, 473, 476, 693, 703, 704, 731
cash flow analysis, 617, 657
Centrica, 672
certainty equivalent, 74
ceteris paribus, 157, 243
chainstore paradox, 504
Chamberlin, E., 458
characteristic line, 638
charging stations, 360
chatbot, 614, 615
cigarettes, 180
Cialdini, R., 614, 615
Cherry, T., 517
‘choice architecture’, 674, 728
choice avoidance, 124
Christie’s, 702
Chrysler, 388, 714
Cialdini, R., 614, 615
cigarettes, 180
climate change, 4, 7, 10, 167, 392, 393, 394, 541, 669, 750, 751, 752, 754, 756, 757, 758, 759, 761
climatic factors, 167
clinical commissioning groups, 721
clothing, 166, 295, 307, 309, 563, 586, 597
CO2, 393, 750, 753, 754, 756, 757
Coase, R., 91
Coase theorem, 683, 757
Cobb–Douglas functions, 283
Cobb–Douglas production functions, 289, 290, 298
coefficient of determination, 208
coGNitive biases, 75, 506
cognitive dissonance, 78, 117, 128, 199
cognitive ease, 78, 79, 80, 101, 116, 117, 124, 588, 592, 674, 728
collateral, 119, 120
collateralized debt obligations (CDOs), 119
collusion, 410, 443, 446, 465, 482, 504, 514, 672, 701, 702, 703, 707, 729, 731
collusive tendering, 704
commitment, 45, 46, 154, 460, 484, 485, 486, 487, 515, 540, 589, 594, 598, 624, 663
compensated budget line. See budget line
Competition Act, 703, 704, 707, 723
Competition and Markets Authority (CMA), 37, 126, 413, 535, 673, 703, 727
competitive advantage, 75, 276, 277, 519, 524, 526, 527, 528, 529, 530, 553, 554, 555, 557, 558, 562, 611
complements, 20, 78, 163, 166, 167, 189, 524
complete contract, 56
completeness, 102
compromise effect, 124, 146
compulsory competitive tendering (CCT), 721
cost ratios, 440, 700, 723
conditional cooperators, 508, 509
confidence intervals, 257
confirmation bias, 78, 117, 121
coriformity bias, 79, 81, 82, 115, 116, 121, 140, 689
confound, 127, 200, 461, 508, 509, 510, 514
congestible, 679
conglomerate integration, 705
conglomerate merger, 542
conglomeration, 545
congruence with reality, 16
‘conscious parallelism’, 705
consolidated pricing, 590
conspicuous consumption, 115, 125, 590
constant returns to scale. See returns to scale
Index

766

construal level theory (CLT), 124
consumer surplus, 434, 435, 525, 526, 527, 528, 529, 531, 537, 557, 565, 566, 571, 586, 610, 680, 712, 718
consumer surveys, 219, 602
contestable markets, 427, 470
continuous strategies, 466
contracting costs, 42
control measures, 59, 76, 90, 91
controllable factors, 163
‘cooling-off’ period, 692
cooperation, 40, 41, 45, 93, 115, 344, 443, 445, 465, 467, 499, 501, 502, 503, 504, 509, 510, 514, 516, 704, 706, 754, 758
coordinating costs, 42
core competence, 25
corporate governance, 59, 93, 484, 690, 691, 692, 693, 729
corporate risk, 636, 641
corporate social responsibility, 48, 85, 87
correlation, 208, 226, 447
cost advantage, 343, 526, 527, 528, 530, 531, 557
cost gradient, 387
cost of debt, 639, 640, 643, 656
cost of equity, 640, 641, 642, 656
cost per available seat kilometre (CASK), 390
cost scenario, 369, 373
cost structure, 25, 67, 324, 337, 359, 371, 389, 395, 425, 427, 546, 673, 718
cost–benefit analysis, 129
cost–volume–profit (CVP) analysis, 351
counterfactuals, 9, 30, 89, 173, 739, 740, 745, 749
countervailing power, 713
Cournot equilibrium, 460
Cournot model, 470, 471, 474, 475
Cournot–Nash equilibrium, 473
Court of Justice of the European Union (CJEU), 709
covid, 4, 10, 17, 19, 56, 85, 103, 116, 126, 146, 154, 156, 168, 202, 204, 312, 319, 322, 323, 325, 326, 362, 410, 413, 450, 533, 548, 549, 550, 551, 552, 558, 622, 657, 669, 688, 698, 713, 723, 734, 735, 737, 738, 739, 741, 745, 749, 750, 751, 758, 759, 762
credibility, 61, 221, 485, 486, 487, 510, 515, 586, 689
credible signal, 511, 512, 600
credible threats, 428
Credit Lyonnais, 68, 715, 723
cross-elasticity, 187, 701
cubic cost functions, 337
current costs, 52, 320, 326, 327, 379
customs procedures, 324, 363
CVP. See cost–volume–profit (CVP) analysis
CVS, 541
Daimler–Chrysler, 278, 388, 545
Damasio, A., 146
Dawkins, R., 92, 94
De Loecker, J., 458, 731
deadweight loss, 435, 695, 697, 717
Dean, J., 405
decision weighting models, 130
decision–making models, 130
decision utility, 742
decision–weighting models, 130
decoy effect, 123, 592
decoy pricing, 561
decreasing returns to scale.
decretification, 465, 501, 502, 503
degrees of freedom, 228, 238, 239, 240, 256
Deliveroo, 737
demand management, 676
demographics, 25, 151, 172, 271, 739
Department for Business, Energy and Industrial Strategy (BEIS), 37, 322
Department of Energy and Climate Change (DECC), 392
Department of Justice (DoJ), 535, 704, 706
depreciation, 69, 631, 665
deregulation, 10, 372, 390, 716, 720, 721, 723, 729
derivatives, 118, 119, 177, 282, 466, 475, 605
desire for consistency, 589
deterministic relationship, 216
dictator ‘game’, 508
diet–heart hypothesis (DHH), 138
differentiated products, 445, 446, 470, 474, 488, 680
digital banking, 371
digital ecosystems, 3
digital media, 599, 602
digitization, 6, 10, 19, 22, 88, 272, 273, 295, 308, 316, 531, 541, 547, 669, 734, 738
direct marketing, 165, 596
directors, 36, 48
disclosure of information, 691
discounted utility model (DUM), 127
discouraging returns to scale.
disinformation, 659, 688
Disney, 63, 544, 547, 548, 550, 551
Disney–Pixar, 544
distribution strategy, 165, 451, 563, 564, 610
diversification, 22, 23, 48, 519, 541, 545, 546, 556, 599, 625, 727
dividend valuation model (DVM), 641
division of labour, 40, 285
Dixit, A., 516
Dolan, P., 762
dominant strategy, 467, 468, 469, 470, 473, 481, 482, 486, 501, 504, 516
dominant strategy equilibrium, 467, 468, 469, 470, 473, 481
Dorfman–Steiner theorem, 605
downstream firm, 533, 535
dual entitlement, 126, 127, 507, 508
dummy variables, 208, 214, 218, 234,
235, 264, 385, 386, 390, 572
dynamic efficiency. See efficiency
dynamic games, 459, 564, 514
dynamic price discrimination, 567, 572
dynamic relationships, 208
Dyson, 426, 523
early adopters, 585
earnings before interest and tax (EBIT),
50
earnings before interest, depreciation
tax (EBIDT), 50
earnings before interest, tax,
depreciation and amortization
(EBITDA), 50
EasyJet, 389, 391, 392, 406, 499
e-commerce, 22, 371, 449, 540, 563
economic efficiency, 280, 316, 336
economies of concentration, 341
economies of scale, 22, 226, 296, 325,
342, 343, 344, 346, 360, 365, 369, 371,
372, 387, 388, 390, 391, 396, 398, 422,
435, 441, 527, 528, 530, 531, 539, 542,
544, 585, 700, 705, 715, 721, 726
economies of scope, 344
ecosystems, 4, 6, 7, 9, 21, 29, 30, 523,
531, 541, 547, 548, 550, 551, 552, 625,
659, 730, 753
EDF, 672, 673, 715
'edge computing', 658
editing, 130, 133, 134, 444, 551, 587
Eeckhout, J., 458, 731
efficiency, 12, 22, 35, 46, 54, 58, 61,
68, 84, 88, 89, 91, 164, 244, 269, 274,
275, 280, 281, 288, 296, 298, 301, 308,
309, 314, 316, 317, 331, 336, 337, 346,
364, 370, 373, 374, 376, 384, 386, 388,
392, 393, 414, 420, 434, 435, 439, 447,
452, 455, 460, 499, 527, 534, 579, 594,
620, 663, 676, 677, 680, 691, 697, 698,
700, 705, 707, 712, 716, 717, 721, 731,
754
efficiency wage, 499
efficient markets hypothesis (EMH), 70
elasticity, 149, 150, 152, 161, 165, 176,
177, 178, 182, 184, 185, 186, 189, 190,
192, 194, 195, 196, 199, 200, 201, 202,
203, 204, 205, 207, 214, 215, 220,
229, 235, 237, 245, 263, 282, 283, 289,
337, 340, 353, 390, 392, 410, 411, 413,
430, 432, 439, 453, 454, 456, 457, 475,
520, 528, 556, 557, 561, 571, 585, 605,
607, 608, 609, 610, 611, 701
electric vehicles, 5, 7, 321, 324, 360, 552,
554, 555, 759
electricity, 8, 41, 167, 168, 179, 188, 205,
273, 274, 360, 361, 370, 383, 386, 388,
392, 393, 395, 414, 425, 534, 566, 568,
593, 595, 621, 680, 712, 714, 720, 730,
750, 756, 758, 759
Electromagnetic fields (EMFs), 660
Elster, J., 146
Emerson, 48, 59, 60, 62, 68, 69
Enterprise Act, 703, 704, 707, 723
enterprise mobility management, 521
entrepreneurial profits, 698
entrepreneurship, 275, 276
Equifax, 500
equity premium, 72, 133, 147
equity theory, 65, 66
Ericsson, 657, 658, 659, 666
eras term, 214, 218, 229, 231, 235, 251,
254, 260, 261
Escobar, D., 613
estimation of parameters, 209, 244, 376
ethics, 85, 86, 867
European social model (ESM), 699
Evolutionary biology, 44, 114, 115, 135,
143, 144
ex-ante probabilities, 634
exclusive dealing, 539, 700, 708
exogenous variables, 244, 259
expected utility theory (EUT), 97, 110,
144
expected values (EV), 74, 511, 635
experience curve, 349, 350
experience good, 597
experience utility, 742
explicit costs, 326
exponential discounting. See discounting
exponential model, 236
ex-post probabilities, 634
extensive-form game, 483, 497
external diseconomies of scale, 422
external economies, 341
external economies of scale, 422
externalities, 329, 394, 535, 629, 662,
671, 672, 677, 678, 680, 681, 685, 686,
687, 728, 726, 752, 754, 757
extra product promotion, 387
F statistic, 240
FAANG, 708, 726
face masks, 116, 743, 749, 762
Facebook, 4, 24, 25, 26, 27, 28, 32, 57,
274, 316, 371, 373, 402, 522, 523, 528,
544, 550, 588, 602, 687, 708, 725, 726,
731, 734, 736
facial recognition, 522, 734
factor substitutability, 534
factor substitution, 269, 305
factors of production, 269
fairness, 93, 115, 126, 127, 172, 460,
481, 506, 507, 508, 509, 517, 568
fake news, 26, 27, 28, 32, 657, 688, 689
Fannie Mae (FNMA), 59, 714
fashion, 82, 153, 166, 306, 308, 309, 310,
319, 707
fashion production, 306
fast food outlets, 142
Federal Communications Commission
(FCC), 661, 721
Federal Trade Commission (FTC), 26,
411, 535, 687, 704, 706, 734
Fehr, E., 93, 517
Fehr-Schmidt (FS) model, 65
Federal Reserve System (FCA), 692
financial crisis, 36, 59, 64, 79, 80, 86, 87,
98, 121, 272, 371, 373, 412, 524, 541,
691
financial economies, 343
fintech, 371
‘firm but fair’ (FBF), 503
first mover advantage, 274, 521, 524,
547, 549, 555
first-of-a-kind (FOAK) technologies, 394
Index

Fischbacher, U., 517
fishing rights, 478
five forces analysis, 524
fixed factors, 269
Flipkart, 449, 450, 458
flotation costs, 640, 643, 656
‘focal point’ equilibrium, 481
focus strategies, 530, 557, 558, 613
foldback method. See backwards induction
food labelling, 141, 142
food security, 141
Ford, 29, 273, 323, 342, 360, 446, 552, 553, 575
forecasts, 15, 16, 78, 80, 151, 153, 154, 156, 181, 184, 185, 186, 189, 202, 208, 210, 213, 215, 229, 231, 233, 258, 303, 307, 377, 395, 396, 420, 552, 635, 677
fossil fuels, 306, 309, 392, 394, 727, 753, 754, 759, 760
four ‘P’s, 52
fourfold attitude to risk, 131
framing effects, 81, 98, 123, 614 franchise bidding, 720
franchising, 520, 540
Freddie Mac (FHLMC), 59, 714
free-riding, 538
freebies, 588, 614
free-rider problem, 679, 680
Friedman, M., 17, 32, 55, 87, 92
Frykblom, P., 517
functional magnetic resonance imaging (fMRI), 135
fungibility, 133, 144, 145, 175, 593
game tree, 483, 484, 485, 504
GameStop, 121
Gauss–Markov theorem, 223, 253, 254
General Data Protection Regulation (GDPR), 27, 687, 734
gender gap, 153
General Electric, 706
General Motors, 552
general practitioners (GPs), 310, 311
gig economy, 734, 737, 738
Gigafactory, 554, 555
Global Carbon Project (GCP), 750
global financial crisis, 119, 118, 546, 690, 760
Global System for Mobile Communications (GSMA), 659
global warming, 4, 10, 117, 750, 751, 752, 756, 758
globalization, 4, 24, 31
goodness of fit, 208
Google, 5, 29, 274, 277, 278, 316, 412, 522, 528, 550, 588, 597, 687, 707, 708, 725, 726, 731, 736
Google Chrome, 708, 726
Gordon, R., 318
‘gouging’, 126
granularity, 212
Great Depression, 118
greeters, 99, 101, 143
‘grim trigger strategy’ (GTS), 501
grocery retailing, 412, 541, 542
 grouthink, 79, 81, 82
guilt aversion, 99
Gujarati, D. N., 266
H&M, 306
habit formation, 113, 209, 243, 244
Haskel, J., 319
‘hate speech’, 26, 687, 736
HBO, 548, 550
heart disease, 136, 139, 140, 147, 170, 689
Heckman correction, 213, 215
hedonic editing, 587
Henn, 413, 707, 731
herding effect, 81
Herfindahl index, 440, 441, 446, 447, 455, 700, 701, 705, 723
heteroscedasticity, 260, 261
heuristics, 80, 113, 115, 123, 130, 134, 144, 146, 147
Hicks approach, 110
hidden action, 33, 43
hidden extrapolation, 259
hidden information, 33, 43
higher education, 10, 149, 150, 151, 155, 156, 167, 201
Higher Education Policy Institute (HEPI), 151
hindsight bias, 79
historical costs, 327
holding company, 546
hold-up problem, 532
Hollywood studios, 548
homeostasis, 586
Homo economicus, 44
homogeneous production function, 296
Honeywell, 706, 715
horizontal integration, 274, 519, 520, 544, 546, 705, 724
hormones, 137
hostile takeover, 62, 543
House of Lords Economic Affairs Committee, 155
Houthakker, H. S., 205, 205, 243, 266
HP Foods, 707, 731
HS1, 619, 620, 621, 623, 663, 719
HS2, 37, 38, 617, 618, 619, 620, 621, 622, 623, 648, 662, 663, 666, 731
HS3, 622, 666, 731
Huang, C., 205, 206, 266
Huawei, 523, 556, 658, 661, 735
hub-and-spoke system, 41
human–machine interface, 19
Hungryhouse, 707, 731
hyperbolic discounting. See discounting
hypothesis testing, 208, 210, 244
identification problem, 208, 259, 260, 264, 377
immediacy bias, 595
imperfect information, 39, 59, 137, 171, 466, 499, 514, 672, 677, 678, 679, 686, 687, 689, 691, 728
implicit costs, 320, 326, 327, 337, 357
income effect, 108, 109, 110, 179, 188
Index

Mandelson, P., 620, 622
marginal cost of capital, 654, 657
marginal factor cost (MFC), 289
marginal rate of substitution, 104, 294
marginal rate of technical substitution (MRTS), 270, 293, 317
marginal revenue (MR), 49, 162, 163, 182, 289, 290, 291, 417, 428, 435, 452, 536, 576, 583, 584, 600, 718
marginal revenue product (MRP), 289
market concentration, 37, 440, 600, 601
market experiments, 220
market failure, 54, 59, 171, 172, 671, 674, 677, 679, 682, 685, 701, 728
market penetration, 22, 70, 585
market power, 372, 376, 409, 426, 534, 539, 544, 546, 700, 701, 705, 706, 707, 726, 727, 736
market research, 221, 328, 342, 426, 625, 650
market risk, 633, 641, 664
market segment, 20, 325, 528, 529, 530, 534, 709
market share, 70, 72, 85, 375, 412, 441, 443, 455, 482, 526, 528, 529, 531, 543, 544, 557, 696, 701, 706, 707, 723, 727
market skimming, 585
market testing, 21
marketing dis-economics, 344
marketing economics, 343
Markets in Financial Instruments Directive (MiFID), 692
mark-up, 431
Marshall, A., 159, 204, 405
mass manufacturing, 6, 342, 387
mass transportation, 342
massive open online courses (MOOCs), 154
mathematical models, 216
maximin criterion, 653
McAlte, A., 319
McDonalds, 527, 531, 563
measurement of profit, 53, 54, 68
mental accounting, 133, 175, 587, 591, 592
menu effects, 123
MEO, 709, 731
Merger Control Regulation, 705
mergers and acquisitions (M&As), 6, 80, 371, 372, 375, 388, 402, 544, 545, 546, 625, 724, 726, 737
Meskey, J., 613
meta-studies, 181
Microsoft, 274, 316, 528, 687, 708, 725, 726, 736
Milgram experiment, 81
Milgrom, P., 45, 58, 64, 92, 93, 457
minimax regret criterion, 654
minimum efficient scale, 347
minimum unit pricing (MUP), 694
misinformation, 659, 688, 689
'misreads', 501
‘missing market’, 681, 682
Mitsubishi, 388, 543
mixed strategies, 491
mixed strategy equilibrium, 492, 494
mobile phones, 77, 164, 226, 265, 371, 440, 521, 585, 599
model specification, 209, 244, 376, 379
Model T, 342
modified internal rate of return (MIRR), 648
monopolistic competition, 414, 435, 436, 439, 452, 455, 718
monopoly power, 343, 456, 534, 698, 713, 729, 731
Monte Carlo methods, 652
moral hazard, 55, 58, 59, 61, 68, 69, 90, 120, 142, 373, 485, 494, 496, 689, 690, 691, 729, 758
Moretti, E, 558
Morgenstern, O., 516
Morrisons, 412
Musk, E., 305, 552, 553, 554, 555, 559
My QuitBuddy, 198
myopic loss aversion. See loss aversion
Nalebuff, B., 516, 558
Nash bargaining, 460, 468
Nash equilibrium, 467, 470, 473, 477, 480, 490, 491, 513, 515
Nash, J., 516
National Audit Office, 155, 204
‘national champions’, 715, 723, 729
National Health Service (NHS), 137, 139, 147, 170, 310, 311, 312, 314, 319, 688, 689, 696, 709, 713, 721, 722, 731, 739, 745, 747, 762
national security, 325, 659, 673, 675, 735
National Student Survey (NSS), 152
nationalization, 673, 674
native advertising, 561, 602
natural gas, 188, 626
natural monopolies, 425, 574, 699, 714, 718, 722
natural resources, 275
natural selection, 87, 115, 135, 137
negative externalities, 87, 191, 394, 533, 678, 684, 754
Index 771
neobank, 371
neoclassical model, 11, 23, 110, 113
net present value (NPV), 626
net realizable value, 380
net working capital, 629
‘net zero’, 756
Netflix, 10, 547, 548, 549, 550, 551, 552, 558
network effects, 273, 274, 276, 316, 528, 725, 726, 727
Network Rail, 619, 719, 721
‘network slicing’, 658, 662
neuroeconomics, 144, 146
neuroscience, 114, 135
nexus of contracts, 41
Nissan, 322, 323, 324, 326, 388, 543, 554
non-depletion. See non-rivalry
non-excludability, 277, 538, 678
non-price competition, 167, 414
non-profit organizations, 83
non-renewables, 392, 393
non-rivalry, 277, 678, 679
non-satiation, 104
non-tariff barriers (NTBs), 322, 323, 326, 362
normal form, 463, 481, 490, 492, 501, 514
normal good, 108
normal profit, 356, 357, 365, 418, 420, 425, 433, 434, 439, 718
normal-form representation, 463
normative, 11, 12, 31, 102, 110, 122, 134, 506, 568, 676, 677, 686, 690, 697, 698, 749
nudge, 175, 674, 675, 728
nudge policies, 175, 728
nudging, 81
null hypothesis, 238, 256, 257
numbers equivalent of firms (NEF), 441
nursing homes, 387
O’Leary, M., 66, 67
Oakey report, 619, 622
obesity, 98, 100, 136, 137, 138, 139, 140, 141, 142, 143, 147, 148, 170, 171, 172, 173, 174, 197, 205
Ocado, 99, 412, 413, 454
‘odd pricing’, 596
Ofcom, 718
off-balance sheet finance, 69
Office of Fair Trading (OFT), 703
Office of Road and Rail (ORR), 719
official sources, 221
Ofgem, 674, 675, 716, 718, 730
Ofwat, 718
oligopolistic markets, 167, 441, 475, 503, 512, 702
oligopoly, 410, 414, 435, 440, 455, 456, 460, 465, 466, 470, 482, 487, 503, 514, 516
OLS model, 208, 213, 259
one-tail test, 256
OPEC, 443, 445, 456
open-source system, 277
operating leverage, 353, 359, 367
opportunity cost, 19, 28, 30, 84, 304, 326, 327, 364, 416, 509, 646, 654, 743
optimal capital budget, 617, 626, 656, 664
optimal scale, 345
ordinal, 103, 218
Organisation for Economic Co-operation and Development (OECD), 150, 153, 171, 197, 206, 221, 703, 714, 759, 763
‘originate and distribute’ model, 119
outsourcing, 35, 273, 724
overconfidence, 78, 80, 117, 121
overhead allocation, 379
overreach, 36
overutilized, 286
Ozment, J., 405, 406
packaging, 40, 165, 173, 175, 198, 199, 243
paid search units, 602
panel data, 219
Panzar, J., 458, 516
paradox of choice. See choice avoidance
paradox of power, 484
parallel importing, 568
parent firm, 545
Pareto domination, 468
Pareto efficiency, 54
Pareto optimum, 681
Pareto-optimal, 680
Paris Agreement, 393, 394, 753
parsimony, 16
partial derivative, 177, 178, 184, 186, 188, 282, 471, 489
partitioned pricing, 590, 614
Pavlov, 503
pay disparities, 34, 63, 65, 66, 91
pay incentives, 62, 63, 90, 460, 494, 495
payback method, 647
perceived quality, 125, 151, 163, 165, 203, 243, 527, 529
perfect information, 57, 102, 113, 115, 140, 144, 414, 467, 600, 686
perfect substitutability, 295
performance-related pay, 73
personal disposable income (PDI), 165
personal protective equipment (PPE), 713, 745
personal selling, 165, 598
persuasive advertising, 598, 600
Peters, F., 558
Pitzer, 709, 731
pharmaceuticals, 388, 709
Pinzer, S., 92, 147
point elasticity, 177, 184, 194
population parameters, 250
population regression function, 231, 250, 251, 264
Porter, M., 558
positive externalities, 538, 684
positron emission tomography (PET), 135
Posner, R., 44
post-contract opportunism, 58, 61, 90, 532, 689
power function, 112, 283, 340, 350, 395, 399, 401, 403
power regression, 208, 228
Pratten, C., 405
pre-contract opportunism, 57, 689
pre-contract opportunism, 57, 689
predatory pricing, 427, 710
preference reversal, 123, 124, 128, 146, 592
RFID (radio frequency identification), 307
Ricke, K., 762, 763
risk-adjusted cost of capital, 652
Index 773

More Information

2nd Edition
Cambridge University Press

Index 773

performance (SCP) – share option
staples, 649
'started foods.
Stanford prison experiment, 81
stand-alone risk, 633, 634, 637, 652, 664, 665
standard deviation, 72, 239, 254, 257, 636, 649, 652
standard error of the estimate (SEE), 239
standard variable tariff (SVT), 674
Stackelberg model, 488, 514
state-of-nature nodes, 650
status quo bias, 34, 79, 81, 116, 595
statistical relationship, 216
statistical inference, 208
stationary battery storage (SBS), 360
statins, 139
stationary, 574, 585, 629, 701
715, 719, 728, 738, 754, 755, 758, 759, 760
model, 699
(SPE), 483
models, 130
structural barriers, 425, 700, 710, 729
strategy, 127, 449, 460, 484, 485, 509, 515
strategic partnerships, 308
strong reciprocity, 508
structural barriers, 425, 700, 710, 729
structure–conduct–performance (SCP) model, 699
subgame perfect Nash equilibrium (SPNE), 483
subjective expected utility (SEU) models, 130
sub-prime, 119, 120
subsidies, 141, 154, 166, 323, 673, 695, 715, 719, 728, 738, 754, 755, 758, 759, 760
self-esteem, 28, 78, 78, 80, 117, 117, 136, 198
self-evaluation bias, 78, 117
self-regulation, 693
self-reported data, 263
self-serving bias, 78, 117
sensitivity analysis, 394, 648, 649, 652
share options, 62
share ownership plans, 62
shareholder wealth maximization model (SWMM), 70, 90
shareholders, 47, 50, 59, 543
shirking, 49, 58, 492, 493, 496, 497, 499
Shogren, J., 517
short-run average cost, 345
Siegfried, J., 205, 206, 266
signalling, 61, 90, 156, 175, 460, 510, 517, 621, 663
simple pay ratio (SPR), 66
simulation techniques, 652
simultaneous equations, 159, 357
simultaneous equations bias, 260
smartphone, 25, 57, 311, 312, 413, 521, 522, 661
smartwatch, 522
Smith, Adam, 40, 44
Smith, M., 558
social costs, 141, 171, 320, 326, 329, 662, 730, 731
social distancing, 85, 198
social media, 25, 27, 57, 139, 306, 316, 371, 597, 599, 602, 616, 659, 688, 736
social norms, 126, 137, 140, 743
social preferences, 98, 125, 145, 460, 506, 510, 513, 514, 515, 517
societal marketing, 85
Society of Motor Manufacturers and Traders (SMMT), 322
Soft Drinks Industry Levy (SDIL), 172
Solow paradox, 269, 271, 274, 315
Sotheby's, 702, 703
Sousa, 205, 210, 211, 212, 213, 214, 215, 266
specialization of labour, 372
specificity error, 208, 259
spillover effects, 276, 278, 380
spirits, 210, 211, 214
spiteful behaviour, 44
'splinternet', 661, 662
spot transactions, 43, 532
spreading fixed cost, 336
Stackelberg model, 488, 514
stand-alone risk, 633, 634, 637, 652, 664, 665
standard deviation, 72, 239, 254, 257, 636, 649, 652
standard error of the estimate (SEE), 239
standard variable tariff (SVT), 674
Stanford prison experiment, 81
staple foods. See staples
stakes, 101, 143
starmer, K., 722
state-of-nature nodes, 650
'states of nature', 649
static games, 466, 514
statins, 139
stationary battery storage (SBS), 360
statistical inference, 208
statistical relationship, 216
status quo bias, 34, 79, 81, 116, 595
steady-state equilibrium (SSE), 478
Stigler, G., 405, 458
stochastic, 251, 264, 502
stock option. See share option
strategic barriers, 425, 426, 700, 701, 710, 729
strategic behaviour, 407, 415, 446, 459, 461, 672, 701
strategic complementarity, 476
strategic moves, 127, 449, 460, 484, 485, 509, 515
strategic partnerships, 308
strong reciprocity, 508
structural barriers, 425, 700, 710, 729
structure–conduct–performance (SCP) model, 699
subgame perfect Nash equilibrium (SPNE), 483
subjective expected utility (SEU) models, 130
sub-prime, 119, 120
subsidies, 141, 154, 166, 323, 673, 695, 715, 719, 728, 738, 754, 755, 758, 759, 760

© in this web service Cambridge University Press

www.cambridge.org
Whole Foods, 22, 23, 449, 451, 458, 541, 542, 707, 727, 732
Wilkinson, N., 20, 32, 133, 134, 147, 205, 266, 510, 517, 613, 614
Willig, R., 458, 516
willingness to accept (WTA), 124
willingness to pay (WTP), 124
Wilson, P., 405
wine, 122, 210, 211, 213, 214, 215, 242, 264, 694
‘winner takes most’ effect, 273, 276, 316, 547, 549, 725
Winstanley, M., 197, 206
within-firm risk, 633, 636
Worldcom, 59, 62
Xiaomi, 523
X-inefficiency, 712
yield to maturity (YTM), 645
YouTube, 278, 550, 563, 687, 736
Zara, 306
Zardoshty, F., 205, 206, 266
‘zero hours’ contracts, 737
zero substitutability, 295
zero-sum games, 466, 490, 492, 514
Zoom, 736, 761
Zuckerberg, M., 26, 27, 32, 687, 734