

A brief study describing the essential of economics

June 24, 2021 Yuji Masuda
y_masuda0208@yahoo.co.jp

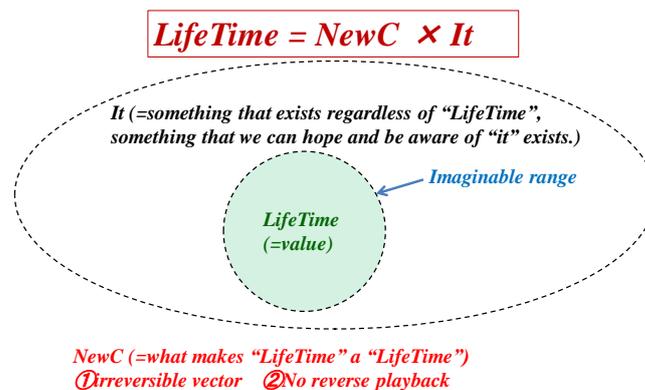
Abstract

Understanding money, which is created from bartering, is essential in economics. The purpose of this study was to examine the mechanism of money from a fundamental perspective, and succeeded in describing the structure of modern consumption and even trends in the industrial economy in the coming decades.

Key words; money, essential in economics,

1. Instruction

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 (purchase) \times Something (products, information, etc)

Fig.1 Money Image

2. Application to other fields and future prospects

The phrase "time is money" has become a common expression in the business world and beyond. Let's compare the above equation with Ohm's law, the famous equation for physics, especially electricity. Ohm's law is $v=R \times I$. Here, Money(Time)=v, Exchanging=R, and Something=I? It is easy to imagine that Money(Time)=v, Exchanging=R, and Something=I. In addition, various agents and wholesalers can be said to have the function of "transforming" here. In order to transform, the electricity needs to be AC. In other words, I don't know at this point whether Money(Time)=v, Exchanging=R, and Something=I, which are expressed here, are based on the assumption of direct current or alternating current.

However, it seems to me that products manufactured by manufacturers flow in only one direction until they are delivered to consumers. But on the other hand, it is easy to imagine that money flows from consumers to manufacturers. I'll leave the subject of direct current and alternating current aside for now, but as I mentioned above, isn't the reverse flow of Money (Time) and Something similar to the reverse flow of current (=Something) and electrons? As you may have already noticed, the flow of current (=Something) and electrons = Money (Time). This is just a kind of conceptual definition, but we can see that the recent popularity of "cashless payment", or "electronic money", literally fits the above definition.

In addition, in order to perfect the rules of the market, it would be very beneficial for both sides to refer to the rules of other fields that are very similar. There are various rules in the electrical field, which we are discussing here, and manufacturers in particular often emphasize the importance of rules called "internal rules". It has been proven by our great ancestors that the natural world appears to be disorderly, but there are hidden and profound laws. In the same way, human beings have refined rules called laws in human society. I also believe that there should be proper rules for economics, as I have mentioned here. However, with the rapid progress of technology these days, it is highly questionable whether the creation of rules can keep up with it. In this article, I strongly advocate that the field of electricity, especially the "internal line rule", should be applied to the creation of new financial and economic rules.

Also, the evolution of cryptography is essential for electronic payments. And cryptography uses 'prime numbers'. As you can see, modern technological progress is such that it is no longer necessary to consider separate fields, but rather a mix of all fields. The elucidation of these rules and the creation of rules requires the ability to bring together the knowledge and expertise of various fields. On the other hand, in the energy field, in our country Japan, the expression 'energy mix' has been heard frequently in recent years. While the concept of "mix" is important, I am convinced that another expression, "shuffle," which is the opposite of "mix," will become even more important. In metallic materials science, the shuffling of atoms is one of the unresolved themes in the topic of structural changes in atomic arrangements, and I believe that this shuffling has the potential to have a ripple effect in various fields. I believe that this "mixing" and "shuffling" will become one of the trends in science and financial economics in the coming decades.

Shuffle and mix is a familiar expression in the world of card games. When a game has come to a close, the cards are shuffled and the game is played again. This allows the player to continue to enjoy the card game itself. On the other hand, in recent years, SDG's are becoming popular among corporations. In this sustainable goal setting, "mix" and "shuffle" also have an important meaning. First of all, "mix" means elimination of waste and thorough optimization, while "shuffle" has a sustainable connotation of continuity.

3. Conclusion

In this article, I have explained the mechanism of money and trading, the secret of making rules in the financial economy, and my personal views on the components of the near-future trends of the last few decades. I hope that this paper will help many people to make new discoveries and become a special remedy for progress. Thank you very much.

4. References

1. Brousseau E, Glachant JM, editors. The economics of contracts: Theories and applications. Cambridge University Press; 2002 Oct 17.
2. Werden GJ. The law and economics of the essential facility doctrine. *Louis ULJ*. 1987;32:433.