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Response 1

I agree that revenue is not the only thing to consider when eliminating a customer because other factors should be put into consideration. For instance, the amount of time used by customers in the company. Some customers spend a lot of time to ask unnecessary questions and comments just because they are your customers and thus wasting time that could be used to do other things. Furthermore, I consent that it is important to consider expenses involved such as the cost of documentation as well as the workforce allocated in gathering and calculating the data required for every customer. Therefore, some customers may be paying more revenue to the company but resources and time used increase expenses to the company and thus reducing the net profit. On the other hand, some customers might be paying less and consume fewer resources and time and thus adding to the net profit of the company.

Response 2

I assent that the coupon interest rate is usually paid by bond issuers on existing bond's face value. Therefore, it is calculated based on bonds face value as well as not market price or issue price. For instance, organizations and governments give out bonds to elevate money in their operations. Moreover, when someone purchases a bond, the bond provider promises intermittent interest payment that will either be annually or semi-annually and, on the currency financed at coupon rate as indicated in bond certificate. Contrarily, I agree that the market interest rate occurs due to macroeconomic in the country and for investors in the selected corporation. Consequently, it is the predominant rate of interest provided on cash deposits, resolute by demand and supply of amount and duration. Both coupons and market interest rates are important in determining bond pricing. The bond price is said to be at par moment ¹ coupon rate is equal with market interest rate, while bond price is premium when ¹ coupon rate is higher than

determining market interest rate. Finally, bond pricing ¹is at discount values when coupon rate is lower than determining market interest rate.

Response 3

Corporations have more benefits compared to proprietors and partnerships. I concur that there is limited liability in corporations because shareholders are protected from liabilities. For instance, they do not need to sell their assets because of debts by the corporation as they are regarded as separate legal entities from individuals who own them. On the other hand, proprietors and partnerships are responsible for all business debts and are legally responsible. I also agree that corporations can easily raise money since they can decide to sell stocks. However, proprietors and partnership owners must struggle to come up with funds or take loans to raise money. I accede that equity is treated differently among the three businesses. For instance, in partnerships equity is done based on contributions made by each partner during the startup of the business. Proprietors deal with risks alone and enjoy profits alone. However, equity in corporations is based on private or public stock offerings and thus owners get paid out with dividends.

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