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### **ASSIGNMENT ON ECONOMICS**

#### **1. OF WHAT RELEVANCE IS A HUMAN CAPITAL IN AN ORGANIZATION?**

**Capital** is a type of asset that allows a business to make more money or otherwise further its goals. Examples of capital include plant, tools, and equipment. **Human capital** is the sum total of a person's knowledge and skills that the company can use to further its goals. For example, Dave's company needs people with knowledge and skills in engineering, computer software design, manufacturing, finance, law, accounting and management, just to name a few.

Until we develop artificial intelligence, we pretty much need human capital to accomplish anything in the world today. In fact, it takes human capital to create some other forms of capital. While a machine may eliminate the need to have hundreds of production workers make stuff, it still took human capital to design and build the machine. And as we move deeper and deeper into a knowledge-based economy that depends on information, knowledge and high-level skills, human capital will become increasingly important. Dave's smartphone company All organization requires human capital to function and accomplish their goals. All organization and have key fundamental departments that enable their work to be done effectively and efficiently but the engine room of all the department is the human resources.

## **2. AT WHAT STAGE OR LEVEL CAN YOU SAY THAT PERFECT EQUILIBRIUM HAS BEEN ATTAINED**

In economics equilibrium is a state where economic forces such as supply and demand are balanced and in the absence of external influences the (equilibrium) values of economic variables will not change. For example, in the standard textbook model of perfect competition, equilibrium occurs at the point at which quantity demanded and quantity supplied are equal.

In most simple microeconomics stories of supply and demand a static equilibrium is observed in a market; however, economic equilibrium can be also dynamic. Equilibrium may also be economy-wide or general, as opposed to the partial equilibrium of a single market. Equilibrium can change if there is a change in demand and supply condition. For example, an increase in supply will disrupt the equilibrium, leading to lower prices. Eventually, a new equilibrium will be attained in most markets, then there will be no change in price or the amount of output bought and sold – until there is an exogenous shift in supply or demand (such as changes in technology or tastes) that is there are no endogenous forces leading to the price or the quantity.

## **3. EXPLAIN MASLOW'S THEORY OF NEEDS IN MOTIVATION**

In the theories of motivation, Abraham Maslow's theory was recalled as the first hierarchy theory of needs in 1943 article name, "A theory of human motivation". Maslow grouped the five needs into two categories: **HIGHER ORDER NEEDS AND LOWER ORDER NEEDS**. The physiological and safety constituted the lower order needs, the social, esteem and self-actualization constituted the higher order needs.

According to Maslow's, lower needs take priority. They must be fulfilled before the others are activated.

1. In the first level, physiological needs exist which include the most basic needs for humans to survive, such as air, water, food, shelter, etc.

2. Safety needs exist which include personal security, health, well-being and safety against accidents.
3. In the third level, belonging needs exists when people need to feel a sense of belonging and acceptance. It is about relationship, families and friendship. Organizations fulfill this need for people.
4. In the fourth level, self-actualization, which is where people looks to be respected and to have self-respect. Achievement needs, respect of others are in this level.
5. In the top level, self-actualization pertains to realizing the person's full penitential.