

ECO631 Business Economics and Public Policy

Level: 6

Credit Units: 5 Credit Units

Language: ENGLISH

Presentation Pattern: EVERY JULY

Synopsis:

Business Economics and Public Policy presents the fundamental ideas of managerial economics and international economics and their applications in business decision making. Individuals, companies and governments all operate within an economic environment that influence their decision making. Managerial economics focuses on how individual consumers and business interact in the market and how managers make strategic decision under various market structures. International economics discusses how changes in macroeconomic activities, interest rates, inflation, exchange rates, and government policies affect the economic environment that firms operate in. The goal of this course is to build your understanding of these mechanisms and develop your analytical skills to make optional business decisions.

Topics:

- Demand, supply and market equilibrium
- Demand estimation and elasticity analysis
- Production and cost analysis in the short-run and long-run
- Market structure: perfect competition, monopoly and monopolistic competition
- Oligopoly and the application of game theory
- Pricing strategies for firms
- Externalities and information limits of markets
- Macroeconomic analysis: key indicators and business cycle
- Economic policies and role of government
- International trade, foreign direct investment and financial flows
- Foreign exchange rates and markets
- Multinational corporations and business strategy in a global economy
- Ethical considerations in managerial economics

Textbooks:

Michael Baye, Jeff Prince: Managerial Economics & Business Strategy 9th McGraw Hill
ISBN-13: 9781259354311

Michael Baye, Jeff Prince: Managerial Economics & Business Strategy 9th McGraw Hill
ISBN-13: 9781259354311-AA

Learning Outcome:

- Appraise how market equilibrium is established using demand and supply analysis and assess the factors that affect demand and supply.
- Estimate the demand function of a firm and forecast the future sales of firms.
- Compare various costs such as total fixed cost, total variable cost, total cost, marginal cost, average total cost, average fixed cost, and average variable cost, and construct the various cost curves.
- Compare the characteristics of different market structures: perfectly competition, monopoly, oligopoly and monopolistic competition.
- Assess the managerial decision making process and construct pricing strategies for firms in various market structures.
- Evaluate externality and asymmetry of information and assess their consequences.
- Appraise the key macroeconomic indicators and government policies and assess their implications on business.
- Assess the impact of international trade and financial flows on a firm and the implications for business of changes in the exchange rates.
- Appraise the operation of multinational corporations and their business strategy in a global economy.
- Evaluate ethics issues in managerial economics context.
- Apply economic principles and practices to particular decision making scenarios.
- Demonstrate course competence through discussions
- Demonstrate the essential knowledge and interpersonal skills to work effectively in a team.

Assessment Strategies:

| Continuous Assessment Component | Weightage (%) |
|--|----------------------|
| QUIZ | 10 |
| TUTOR-MARKED ASSIGNMENT | 25 |
| PARTICIPATION | 15 |
| Sub-Total | 50 |

| Examinable Component | Weightage (%) |
|-----------------------------|----------------------|
| ECA | 50 |
| Sub-Total | 50 |

Weightage Total **100**