Unit Outline*

MGMT8503

Economic Management and Strategy

EMBA
Trimester 2, 2011
Crawley

Dr Elisa Birch

Business School
www.business.uwa.edu.au

* This Unit Outline should be read in conjunction with the Business School Unit Outline Supplement available on the Current Students web site http://www.business.uwa.edu.au/students
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UNIT DESCRIPTION

Introduction
Welcome to MGMT8503 Economic Management & Strategy. The unit aims to provide an understanding of economics to managers so that they have the knowledge they need to interpret the economy around them, and the place of their organization within it. This unit will be interactive with a lot of class discussions, where students learn to apply both macro and microeconomic concepts to current business developments.

Unit content
The theory and the concepts are simple, and the focus will be on using these to provide a framework within which to interpret the economic information and misinformation that abounds in most economies of the world. The modern manager needs to understand the economic environment in which decisions are made and how it might affect these decisions, without necessarily being able to undertake formal economic analysis on any particular aspect of the economy.

It is not intended that this unit transform experienced managers into economists by teaching economic theory, and then practicing it in a theoretical context. Answers provided by economics are rarely definitive, and must have practical knowledge applied to them if they are to suit business situations.

You are expected to read the text and related material, and gain an understanding of the theory, both from your own background knowledge and with the assistance of the unit coordinator. Once you have this understanding, you will be expected to apply it to the process of management decision-making. These latter expectations are what will be undertaken in the classes. The most valuable knowledge you will receive, and the techniques you derive will be those you develop yourself during this unit.

The goal of the unit
The objective of the unit as a whole is that you understand the basic theoretical structures of microeconomics and macroeconomics, and learn to apply them in business situations. This will take the form of demonstrating that you can assess the issues within various economic environments, both domestic and international, in terms of those concepts, and explain the place of this assessment in business decisions.

The most important objective of this unit is to develop and enhance basic analytical skills at a practical level. The most important tool is your interest and thought: creative and constructive. The ultimate objective of this unit is that you have the knowledge to understand that economics can contribute to successful decision-making, but it is not the final answer to anything you will experience as a manager. Seeing the relationships and using that knowledge in a practical fashion is the key.

Learning outcomes
On completion of this unit, you should be able to:

- Understand how individual markets operate.
- Good understanding how an industry's competitive structure will affect businesses.
- Good understanding of how macroeconomic issues affect businesses.
- Good understanding of macroeconomic issues in Australia and overseas.
Educational principles and graduate attributes

In this unit, you will be encouraged and facilitated to develop the ability and desire to:

- To master the subject matter, concepts and techniques of their chosen discipline(s) at internationally-recognized levels and standards;
- To adapt acquired knowledge to new situations;
- To think and reason logically and creatively;
- To undertake problem identification, analysis and solution;
- To question accepted wisdom and be open to new ideas and possibilities;
- To acquire mature judgment and responsibility in ethical, moral, social, and practical, as well as academic matters;
- To work independently and in a team.

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies

Success in this unit requires that you understand all of the seminar, tutorial, textbook and reading materials. Seminars and tutorials will cover both the theoretical material covered in the textbooks and readings, as well as practical examples and case studies.

In this unit you need to first master the theoretical economic models, and then be able to discuss their implications in a wide range of real-world situations.

Teaching and learning evaluation

You'll be asked to complete two evaluations during this unit: the Student Perception of Teaching (SPOT) and the Students’ Unit Reflective Feedback (SURF). The SPOT is optional and is an evaluation of the lecturer and the unit. The SURF is completed online and is a university-wide survey and deals only with the unit. You'll receive an email from the SURF office inviting you to complete the SURF when it's activated. We encourage you to complete both evaluations, as your feedback is extremely important and can be used to make changes to the unit or lecturing style where appropriate.

Attendance

Participation in class, whether it be listening to a lecture or getting involved in other activities, is an important part of the learning process, therefore it is important that you attend classes. More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminars and tutorials’. Where a student, due to exceptional circumstances, is unable to attend a scheduled class, they are required to obtain prior approval of the unit coordinator to be absent from that class. Any student absent from class without having had such absence approved by the unit coordinator may be referred to the faculty for advice and may be required to withdraw from the unit.
CONTACT DETAILS

We strongly advise students to regularly access their student email accounts. Important information regarding the unit is often communicated by email and will not be automatically forwarded to private email addresses.

<table>
<thead>
<tr>
<th>Name:</th>
<th>Dr Elisa Birch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email:</td>
<td><a href="mailto:Elisa.Birch@uwa.edu.au">Elisa.Birch@uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>6488 1444</td>
</tr>
</tbody>
</table>
| Consultation Hours: | Tuesday: 9.00am – 10.30am  
                        | Wednesday: 9.30am – 12.00pm |
| Lecture Day & Time: | Saturdays: 9.00am to 4.00pm  
                        | (with one hour break for lunch) |
| Dates:         | Week 1: 14th May  
                        | Week 2: 28th May  
                        | Week 3: 11th June  
                        | Week 4: 25th June  
                        | Week 5: 9th July  
                        | Week 6: 23rd July |
| Lecture Venue: | BUSN: G42 Michael Chaney Case Study |

TEXTBOOK(S) AND RESOURCES

Unit website
http://www.webct.uwa.edu.au

Recommended/required text(s)


This text has been developed at UWA, using chapters from a number of different economics textbooks published by McGraw-Hill. As such, essentially all the material in this text will be relevant for this unit, and will be a vital source of information for you.

Additional resources and reading material

From time to time additional material will be provided, including case studies and exercise questions. This material will be made available through WebCT and where required for class, for example, case studies to be used in class discussion, it will be provided directly to students.
<table>
<thead>
<tr>
<th>Week #</th>
<th>Date</th>
<th>Topic</th>
<th>Background Readings</th>
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<tbody>
<tr>
<td>1</td>
<td>14th May</td>
<td>-Introduction to Managerial Economics</td>
<td>Chapters 1 &amp; 2</td>
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<td></td>
<td></td>
<td>-Demand Analysis</td>
<td></td>
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<td>2</td>
<td>28th May</td>
<td>-Production Theory and Costs</td>
<td>Chapters 3, 4, 5 &amp; 6</td>
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<td></td>
<td></td>
<td>-Competition Models</td>
<td></td>
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<tr>
<td>3</td>
<td>11th June</td>
<td>-Monopoly Models</td>
<td>Chapters 7 &amp; 8</td>
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<td></td>
<td></td>
<td>-Oligopoly Models</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>25th June</td>
<td>-Introduction to Macroeconomics</td>
<td>Materials to be distributed in class</td>
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<td></td>
<td></td>
<td>-Class Test</td>
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<tr>
<td>5</td>
<td>9th July</td>
<td>-Government Regulation</td>
<td>Chapters 13 &amp; 14</td>
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<td></td>
<td></td>
<td>-International Finance</td>
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<tr>
<td>6</td>
<td>23rd July</td>
<td>-Money, Prices and the RBA</td>
<td>Chapters 9, 10, 11, 12 &amp; 15</td>
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<td></td>
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<td>-Global Financial Crisis</td>
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ASSESSMENT MECHANISM

The purpose of assessment

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work then gives you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

In this unit both formative and summative assessment is used. The class test is designed to assess your understanding of the learning outcomes listed for each topic covered and is designed as formative assessment. The group assignment is designed to develop skills in assessing market information and presenting clear written communication about economic outcomes in markets, this is an important employability skill. The final exam will assess knowledge of the learning outcomes in all topics.

Assessment mechanism summary

<table>
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<tr>
<th>Component</th>
<th>Weight</th>
<th>Date</th>
<th>Submission</th>
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<tbody>
<tr>
<td>Class Test – One hour</td>
<td>20%</td>
<td>25th June 2011 at 1pm (Week 4)</td>
<td>In class</td>
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<tr>
<td>Group Assignment</td>
<td>30%</td>
<td>23rd July 2011 at 4pm (Week 6)</td>
<td>WebCT</td>
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<tr>
<td>Final Examination - Two hours</td>
<td>50%</td>
<td>Exam Period of 6th August to 13th August</td>
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Note 1: Results may be subject to scaling and standardisation under faculty policy and are not necessarily the sum of the component parts.

Note 2: Your assessed work may also be used for quality assurance purposes, such as to assess the level of achievement of learning outcomes as required for accreditation and audit purposes. The findings may be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential, and the outcome will not affect your grade for the unit.

Assessment components

Assessment item # 1 - Class Test

The Class Test will be held at 1pm on Saturday 25th June 2011 (Week 4) and will cover materials from weeks 1 to 3. The test will be of one hour duration and it will be an open book examination. The test will be comprised of multiple choice and short answer questions. The test will be held in the usual lecture venue. Students are advised that they MUST attend their own stream for this test. Failure to do so without prior arrangement with the lecturer will result in exclusion from the test.

Assessment item # 2 - Case Study Report

Students are expected to work in groups of 3-4 and prepare a group assignment based on the materials covered in this course. Each group is expected to submit one group assignment report (2,500 words).

Details of the assignment question are as follows:

Due Date
23rd July, Week 6 via WebCT. Note: Week 6 is the final week for the unit. Students will be emailed their final mark and comments for the assignment within two weeks of the assignment being submitted. More information on submitting the assignment is below.
**Question**

Identify an industry or firm that is actively pursuing price discrimination. Based on the theories examined in this unit, discuss the methods that the industry or firm uses for price discrimination. How price discrimination in the industry or firm possible? Is this price discrimination fair on consumers? Explain your answer.

**Word Limit**

Strictly 2,500 words. Penalties may occur for assignments that exceed the word limit.

**Format**

Assignments should be typed using 12 font size and 1.5 spacing. All references throughout the assignment should be presented in Harvard Style Referencing. Each assignment should include a coversheet. Students must ensure that the names of all students doing the group assignment are on the cover sheet. Students should keep a back-up copy of their assignment.

**Suggested Structure**

An appropriate structure of an assignment is:

- Introduction (include background information on the market being analysed).
- Discussion on the methods of price discrimination used in the market including evidence of the price discrimination.
- Discussion on how price discrimination is possible in the market.
- Evaluation on the whether price discrimination is fair on consumers.
- Conclusion.

**Tips**

- You should aim to think critically and write originally.
- You will be rewarded for picking an interesting market to study. Examples of potential markets include sporting events, petrol stations, supermarkets and movie cinemas.
- You are required to research this topic. The use of Econlit for journal article searches and Factiva for newspaper article searches will assist you with the assignment.
- A key component of the assessment of the assignment will be based on your ability to explain your answers using the economic concepts and theory discussed in this unit. You will be rewarded for linking the theory with a real life example of price discrimination.
- Be sure to re-read your assignment before submitting it; poor presentation, spelling and grammar will be penalised.
- A common question asked by students is “what do I have to do to get a good mark in this course?” Obviously the harder you work, the better you should perform, but that is perhaps too facile an answer. While some students are happy to just sail along with a pass or credit, others will strive for excellence by aiming to get distinctions or higher distinctions. But whatever your aims and abilities, it is important to recognise what is expected of you by the markers in your written work.


**Assessment item # 3 - Final Exam**

The two-hour examination will be held during the exam period of 6th August to 13th August 2011.
Submission of assignments

Students will be required to submit their assignment on WebCT by the beginning of class, Week 6 (23rd July 2011).

Late assignments will attract a penalty of 5% per calendar day. This penalty will be waived by the lecturer only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned.

Papers of excessive length will also attract a penalty. The penalty will be 5% for each 300 words, or part thereof, over the word limit.

It is the intention that the marked assignments will be returned within two weeks of submission.

Student Guild

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E-mail: enquiries@guild.uwa.edu.au
Website: http://www.guild.uwa.edu.au

Charter of Student Rights and Responsibilities


Appeals against academic assessment

The University provides the opportunity for students to lodge an appeal against assessment results and/or progress status (refer http://www.secretariat.uwa.edu.au/home/policies/appeals ).