Unit Outline*

MGMT8503

Economic Management and Strategy

Semester 2, 2011
Crawley

Associate Professor Anu Rammohan

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
UNIT DESCRIPTION

Introduction

Welcome to Economic Management and Strategy. The unit aims to provide an understanding of Economics for Managers so that you have the knowledge needed to interpret the economy around you, and the place of your organization within it. This unit will be interactive with a lot of class discussions, where students learn to apply both macro and micro economic 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 around 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 class. 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

Each session has stated objectives. The objective of the unit as a whole is that you will 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 the economic environment, both of Australia and internationally, in terms of those concepts, and explain the place of this assessment in business decisions.

Neither the textbook not the unit coordinator has all the answers. 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 manner is the key.
**Learning outcomes**

On completion of this unit, you should:

- Be able to analyse the way that an industry’s competitive structure influences business decision making.

- Be able to articulate the role that economics plays in understanding the issues that confront business in market economy.

- Have an understanding of the way that policies affecting business are formed based on microeconomic principles.

- Be able to conduct an industry/market economic analysis.

**Educational Principles and Graduate Attributes**

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

- Demonstrate the ability to apply, analyse, synthesise and evaluate information from multiple sources to make decisions about the economic performance of markets;

- Demonstrate the ability to communicate orally to a professional standard to peers in classroom discussion in relation to economics matters;

- Demonstrate an ability to work effectively in independent analysis and to produce clear and concise written evaluations of economics material and the performance of markets;

- Recognise, understand and respond to potential the various equity and efficiency issues confronting government and policy makers.
TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies

For this unit, students are required to be prepared for lectures. You should spend time reading the required chapters and case studies before each lecture.

If you are having difficulty understanding the economic theory and concepts, you can seek assistance from the lecturer during seminars or consultation times. The focus of the mid-semester test and final examination is to assess your level of understanding and ability to apply economic concepts.

During seminars, the focus will be on application of economic theory and concepts. Hence, you are expected to contribute and participate in discussions on current business developments and economic issues.

Teaching and learning evaluation

You may 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 will receive an email from the SURF office inviting you to complete the SURF when it is activated. We encourage you to complete the forms as your feedback is extremely important and can be used to make changes to the unit or lecturing style when appropriate.

The feedback from students gained through these surveys is taken into account when the unit is updated.

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>Unit coordinator/lecturer</th>
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<tbody>
<tr>
<td><strong>Name:</strong> Associate Professor Anu Rammohan</td>
</tr>
<tr>
<td><strong>Email:</strong> <a href="mailto:anu.rammohan@uwa.edu.au">anu.rammohan@uwa.edu.au</a></td>
</tr>
<tr>
<td><strong>Phone:</strong> 6488 5656</td>
</tr>
<tr>
<td><strong>Consultation hours:</strong> Monday, 12.00pm - 2.00pm</td>
</tr>
<tr>
<td><strong>Lecture day and time:</strong> Monday, 2.00pm - 5.00pm</td>
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<tr>
<td><strong>Lecture venue:</strong> BUSN: G42 Michael Chaney Case Study Room</td>
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TEXTBOOK(S) & RESOURCES

Unit Website

[www.webct.uwa.edu.au](http://www.webct.uwa.edu.au)

Recommended/required text(s)


Additional resources & reading material

From time to time additional material will be provided, including case studies. 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.
## UNIT SCHEDULE

<table>
<thead>
<tr>
<th>Week #</th>
<th>Topic</th>
<th>Independent activity (e.g. readings)</th>
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<tbody>
<tr>
<td>1 1 Aug</td>
<td>Introduction to Managerial Economics</td>
<td>Chp 1</td>
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<tr>
<td>2 8 Aug</td>
<td>Demand Analysis</td>
<td>Chp 1-2</td>
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<tr>
<td>3 15 Aug</td>
<td>Production Theory and Costs</td>
<td>Chps 3-4</td>
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<tr>
<td>4 22 Aug</td>
<td>Competition Models</td>
<td>Chp 5-6</td>
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<tr>
<td>5 29 Aug</td>
<td>Monopoly Models</td>
<td>Chp 6</td>
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<tr>
<td>6 5 Sep</td>
<td>In class test (one hour)</td>
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<tr>
<td>7 12 Sep</td>
<td>Oligopoly Models</td>
<td>Chp 7</td>
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<tr>
<td>8 19 Sep</td>
<td>Pricing Techniques</td>
<td>Chp 8</td>
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<tr>
<td>26 Sep</td>
<td>Non-teaching study break</td>
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<tr>
<td>9 3 Oct</td>
<td>Money and monetary policy</td>
<td>Chps 11-12</td>
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<tr>
<td>10 10 Oct</td>
<td>Open Economy</td>
<td>Chp 13</td>
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<tr>
<td>11 17 Oct</td>
<td>Balance of payments</td>
<td>Chp 14</td>
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<tr>
<td>12 24 Oct</td>
<td>Financial Crises</td>
<td>Chp 15</td>
</tr>
<tr>
<td>13 31 Oct</td>
<td>Exam review</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 case study report 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>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Date</th>
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<tbody>
<tr>
<td>Class Test – 1 hour</td>
<td>25%</td>
<td>Week 6 - 5th September 2011</td>
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<tr>
<td>Case Study Report</td>
<td>25%</td>
<td>Report to be completed over weeks 7-10 and submitted via WebCT in Week 10 (on 10th October 2011).</td>
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<tr>
<td>Final Examination- 2 hours</td>
<td>50%</td>
<td>Exam Period</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 item # 1 - Class Test (25%)**

The Class Test will be held at 2.00pm on Monday 5th September, 2011 and will cover material from weeks 1 to 5. The test will be of one hour duration. There will be two short answer questions and 15 multiple choice questions. The test will be held in the usual lecture venue. There will be no lecture after the test.

**Assessment item # 2 - Case Study Report (25%)**

Students are expected to work in groups of 4-5 and prepare a case study report based on the material covered in the unit. Each group is expected to submit one short report (2,000 words) that addresses the questions developed in the case study.
Assessment item # 3 - Final Exam (50%)

A two-hour examination will be held during the exam period. It will comprise of three sections:

- Multiple choice questions
- Short answer questions
- Essay questions

Submission of assignments

WebCT will be used for assignment distribution and assignments should be submitted electronically through the assignment page.

Late assignments will attract a penalty of 5% per 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.

Assignments will be returned through the Postgraduate Student Centre.

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

Student Guild

Phone: (+61 8) 6488 2295  
Facsimile: (+61 8) 6488 1041  
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).