

## Unit Guide

Unit Title	<b>Business Economics</b>
Level	1
Reference No. ( <i>showing level</i> )	MEC-1-107
Credit Value	15 CAT points
Student Study Hours	Contact hours: 60 (f/t) 45 (p/t) Student managed learning hours: 90 (f/t) 105 (p/t)
Pre-requisite learning	None
Co-requisites	Level 1 Core Units
Excluded combinations	N/A
Unit co-ordinator	Michael Wood
Faculty/Department	BCIM/BIS
Short Description	The unit examines primarily micro-economics from a business perspective. It is designed to enable students to understand the economic forces, primarily micro, operating on business decision makers, and some of the techniques and theories available to them. The course is aimed at first year students who require an initial grounding in economic theory and the techniques and practices used by businesses. It provides a keystone for a subsequent study in economics and the other disciplines of business.
Aims	<p>The unit aims to provide an understanding of economic approaches to 'problems' and to prepare students to use economic concepts, theories and ideas in examining business issues.</p> <p>It seeks to place the 'firm' at the centre of the analysis, and to show how the market system and competition affect the firm, and how the firm can address such issues.</p> <p>Students are expected to use economic ideas and techniques to analyse current economic and business issues and to seek 'solutions' to problems.</p> <p>It seeks to provide a balanced view of the major forces in the economic environment. It aims to show how basic economic factors such as markets, competition, internationalisation and governments, influence the decisions and performance of individual companies. In addition, the strong role and importance of individual companies and their approaches, are used as vehicles for economic analysis and study.</p> <p>Theories and ideas are illustrated by examples from contemporary business life, which enables students to utilise an economic approach for a range of situations, and to appreciate the value and limitations of such an approach.</p>
Learning Outcomes	<p><b>Knowledge and Understanding:</b></p> <ul style="list-style-type: none"> <li>• To demonstrate an awareness of the decision-making and planning processes within a business or organisation.</li> <li>• To be able to analyse strategic situations, and to make recommendations for future course of action.</li> <li>• To demonstrate an awareness of the limitations of economics as a decision-making tool.</li> <li>• To understand how markets and competitors influence business decisions and performance.</li> </ul> <p><b>Intellectual Skills:</b></p> <ul style="list-style-type: none"> <li>• To make coherent, analytical and well-presented arguments relating to business and economic issues.</li> </ul>

	<ul style="list-style-type: none"> <li>• To identify and utilise other skills required for effective business decision-making, e.g. the political dimension.</li> <li>• To appreciate the human, and social dimension to economic decisions and organisations.</li> <li>• To be able to analyse the impact on business, of the international environment.</li> </ul> <p><b>Practical Skills:</b></p> <ul style="list-style-type: none"> <li>• To apply economic ideas, techniques and theories to business situations, in order to 'solve' problems.</li> <li>• The unit aims to enhance communication skills by encouraging discussion and debate in seminars and through assessments.</li> </ul> <p><b>Transferable Skills:</b></p> <ul style="list-style-type: none"> <li>• To be able to correctly reference sources of information</li> <li>• By providing a comprehensive set of materials defined for personal use, students will be encouraged to work independently and to become more capable independent learners. The practical computer programme enables students to work on their own, and to increase their confidence and technical ability in the IT area.</li> <li>• Numeracy skills are developed through the necessary calculations and measurements, implicit in a clear understanding and working of economic models, concepts and theories.</li> </ul>
Employability	<ul style="list-style-type: none"> <li>• To be able to understand the need to use information in support of analysis.</li> <li>• To understand information sources and databases.</li> <li>• To show how to locate and access information independently.</li> <li>• To demonstrate written and oral communication skills to achieve outcomes.</li> </ul>
Teaching and learning pattern	The course consists of one two hour lecture, which provides the core elements and structure of the course, and a two hour seminar class (for full-time students), and a one hour seminar class (for part-time students). These classes and the self study elements are supported by in house produced CD-ROMS, PowerPoint presentations, and other supporting materials.
Indicative content	<ul style="list-style-type: none"> <li>• Introduction to business economics. Economic systems, normative v positive. Production and scarcity. Model building and economic laws. The price mechanism, nature and role of markets, fundamentals of demand/supply and price, and its application.</li> <li>• The nature, measurement and relevance of price, income and cross elasticities. Relevance to price setting, product planning and aspects of government policies. Influencing customer demand &amp; interpretation of accounting data. Product differentiation, advertising, non-price competition. Accounting and economic costs.</li> <li>• Developing the theory of supply, behaviour of cost, production and market consideration. Concepts of normal and abnormal profits. Behaviour of costs in the short run. Fixed, variable and marginal costs. Law of diminishing return.</li> <li>• Long Run Cost and Expansion Decisions – Costs and Market Considerations. Economics and diseconomies of scale – real and pecuniary factors. Barriers to entry.</li> <li>• Maximising profits, and marginalism. The consequences in different market structures. Alternative Views of the Firm. Objectives and behaviour. Managerialism. shareholder and stakeholder companies. The importance of business culture.</li> <li>• The competitive economic environment. Porter's Five Forces. Oligopolistic market structure and pricing strategies. Competition and collusion. Growth strategies and outcomes.</li> <li>• Competition regulation. Rational and history. An UK and EU</li> </ul>

	perspective. International competition issues.
Assessment <i>Elements &amp; weightings</i>	<ul style="list-style-type: none"> <li>• Coursework. An extended case study/essay of no more than 2,000 words = 50%</li> <li>• Examination. (Of two combined weighted tests, one of 1 hour, worth 40%, &amp; one of 1 ½ hours worth 60% of the coursework marks respectively) = 50%</li> <li>• A minimum average mark of 40% overall must be achieved to pass the unit, with no element, (examination or coursework) less than 30%.</li> </ul>
Indicative Sources <i>(Reading lists)</i>	<ul style="list-style-type: none"> <li>• Sloman, J. and Hinde, K. (2007), Economics for Business, Prentice Hall.</li> <li>• Sloman, J. (2006), Economics, Sixth Edition, Prentice Hall.</li> <li>• Begg, D. Fisher, S. and Dornbusch, R. (2007), Economics, Eighth Edition, McGraw Hill.</li> </ul>