

Course Outline

Economics
School of Business & Economics
BUSN 5040 - **3.00** - Academic

Economics for Managers

Rationale

The current version of BUSN 5040 focuses on only macroeconomics. It is proposed that we include both microeconomics and macroeconomics in the BUSN 5040 so that students can become familiar with the key concepts of these two integral parts of economics.

Calendar Description

Students develop an understanding of the fundamental tools of economic analysis that are essential for understanding managerial decision-making. Microeconomic topics include demand and supply, elasticities, production and cost analysis in the short-run and long-run, market structures and pricing strategies. Macroeconomic topics include an examination of indicators, such as GDP, economic growth, interest rates, unemployment rates, and inflation, and an overview of fiscal and monetary policies. Prerequisite: Admission to the Graduate Certificate in Business Administration Corequisite: None

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: No change

Repeat Types: A - Once for credit (default)

Grading Methods: (G - Graduate Programs)

Educational Objectives/Outcomes

1. Analyze changes in economic factors on markets using the demand and supply framework
2. Demonstrate the influence of price elasticity on managerial decisions.
3. Analyse short-run and long-run decision-making in a perfectly competitive market structure
4. Demonstrate how barriers to entry affect market and pricing power.
5. Illustrate how decisions are made in a monopolistically competitive market, in the short-run and long-run.
6. Compare and contrast strategies of firms in non-cooperative and cooperative scenarios.
7. Analyse how differences in demand and elasticity lead managers to develop pricing strategies.
8. Discuss the role of macroeconomics on firm-level and industry-level decisions.
9. Explain how macroeconomic indicators such as GDP, housing starts, consumer confidence indices, money supply, bond yields, unemployment and inflation, and exchange rates can be used by firms and industries to predict future

economic prospects.

10. Explain the impact of fiscal and monetary policies on managerial decisions.

11. Discuss the sources and implications of market failure.

Prerequisites

Admission to GDBA or MBA or approval of degree committee

Co-Requisites

Recommended Requisites

Exclusion Requisites

BUSN 5041-Global Economics

GBUS 5050-Global Economics

Texts/Materials

Textbooks

1. **Required** Farnham, P. G.. *Economics for Managers* Pearson

Student Evaluation

The Course grade is based on the following course evaluations.

Quizzes (10.00%) Assignments (30.00%) Midterm (20.00%) Final exam (40.00%)

Students must pass the final exam with 50% or higher to pass the course.

Course Topics

1. Introduction

- Introduction to microeconomics and macroeconomics
- Market forces: demand, supply and equilibrium prices
- Case study

2. Market failure & public goods

- Sources of market failure and implications for firms and society
- Public goods and the role of government in their provision
- Case study

3. Elasticities

- Price elasticity of demand
- Cross-price elasticity
- Income elasticity
- Case study

4. Production Process and Cost Analysis in the short-run

- Short-run production

- Short-run cost analysis
 - Real-world firm and industry productivity issues
5. Production Process and Cost Analysis in the long-run
- Long-run production
 - Long-run cost analysis
 - Case study
6. Market structures I: Perfect competition & Monopoly
- Introduction to market structure
 - Competitive markets in the short-run & long-run
 - Monopoly model & barriers to entry
 - Comparison of monopoly to perfect competition
 - Case study
7. Market structures II: Monopolistic competition & Oligopoly models
- Monopolistic competition
 - Oligopoly model
 - Non-cooperative oligopoly strategy
 - Cooperative oligopoly strategy
 - Case study
8. Pricing strategies for firms with market power
- Mark-up pricing
 - Price discrimination
 - Case study
9. Macroeconomic indicators for decision making
- Macroeconomics indicators for managerial decision-making
 - Gross Domestic Product and assessing economic growth
 - Price level measures and inflation
 - Employment and unemployment rate
 - Exchange rate determination & balance of payments
 - Other leading, lagging and coincidence indicators like consumer confidence indices, bond yields and housing starts.
10. Stabilization Policy and its impact on firms
- Fiscal and monetary policy and the impact of such policies on firms production and financial decisions
 - Case study

Methods for Prior Learning Assessment and Recognition

Students can apply for PLAR but it cannot be used to meet the program residency requirement.

Last Action Taken

Implement by Provost & VP Academic Shelley Church

Current Date: 26-May-20