



MGNT801

Economics and Markets

Term 1 North Ryde 2018

MGSM Degree Programs

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Disclaimer

Macquarie University has taken all reasonable measures to ensure the information in this publication is accurate and up-to-date. However, the information may change or become out-dated as a result of change in University policies, procedures or rules. The University reserves the right to make changes to any information in this publication without notice. Users of this publication are advised to check the website version of this publication [or the relevant faculty or department] before acting on any information in this publication.

General Information

Unit convenor and teaching staff Dr Amer Saleem Khan
Credit points 4
Prerequisites Admission to MMgmt
Corequisites
Co-badged status
Unit description This unit examines economic analysis concepts and tools that enable students to set an organisation's decision-making within its wider economic context. Topics include supply, demand, and market equilibrium; scarcity; exchange and trade; choice theory; theory of the firm; game theory and strategy; market structure; information; role of government and government policies; aggregate economy; and international trade. We look at economic variables and how rises and falls in these variables affect people and businesses.

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.

Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.

Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment Tasks

Name	Weighting	Hurdle	Due
Case Analysis 1	20%	No	5 February 2018

Name	Weighting	Hurdle	Due
<u>Case Analysis 2</u>	30%	No	26 February 2018
<u>Final examination</u>	50%	No	Exam week: 19 - 24 March 2018

Case Analysis 1

Due: **5 February 2018**

Weighting: **20%**

TOPICS: Topics covered in weeks 1 – 3.

This assessment task is to be completed individually. This task is the first of two assessment tasks that will require you to apply what you have learned during the preceding weeks to a business case. You will be presented with a business situation and asked to critically analyse it. You will be required to research, interpret and analyse pertinent information and answer the questions. In doing so you need to identify theoretical concepts that are relevant, and draw on additional research, readings or audio-visual sources. You must use these insights (concepts, theories, ideas etc.) to answer the question(s) presented to you. Your responses should be long answer format; bullet points are not permitted. You should draw on relevant theory in justifying your analysis. This assessment will test your understanding and application of theory in analysing and problem-solving business scenarios.

A penalty of 10% of possible marks per calendar day will be applied to late assignments. This penalty does not apply for cases in which an application for disruption of studies is made and approved. WORD LIMIT IS STRICTLY 1,500 words. You can attach relevant appendices and supporting documentation which will not be counted in this limit.

However, the report should stand alone – do NOT depend upon a reader to read the appendices. The appendices should be there to identify the sources of your research, show how your conclusions are reached and provide relevant back-up to your arguments.

The essay will be assessed on:

- Clarity and conciseness;
- The quality of research, timeliness and relevance of information and statistics;
- Quality of analysis;
- Its usefulness to real world management issues; and/or
- Implication for economic policy.

The report will be assessed against the relevant unit objectives, being:

- Interpret the meaning of economic information (both statistical, and qualitative), and to identify the additional economic (and other) information which might be useful for a decision.

Please submit a softcopy through iLearn. No hardcopy required.

On successful completion you will be able to:

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Case Analysis 2

Due: **26 February 2018**

Weighting: **30%**

TOPICS: Topics covered in weeks 4 – 6.

This assessment task is to be completed individually. This is the second assessment task that will require you to apply what you have learned during the preceding weeks to a business case. You will be presented with a business situation and asked to critically analyse it. You will be required to research, interpret and analyse pertinent information and answer the questions. In doing so you need to identify theoretical concepts that are relevant, and draw on additional research, readings or audio-visual sources. You must use these insights (concepts, theories, ideas etc.) to answer the question(s) presented to you. Your responses should be long answer format; bullet points are not permitted. You should draw on relevant theory in justifying your analysis. This assessment will test your understanding and application of theory in analysing and problem-solving business scenarios.

A penalty of 10% of possible marks per calendar day will be applied to late assignments. This penalty does not apply for cases in which an application for disruption of studies is made and approved. WORD LIMIT IS STRICTLY 2,000 words. You can attach relevant appendices and supporting documentation which will not be counted in this limit.

However, the report should stand alone – do NOT depend upon a reader to read the appendices. The appendices should be there to identify the sources of your research, show how your conclusions are reached and provide relevant back-up to your arguments.

The essay will be assessed on:

- Clarity and conciseness;
- The quality of research, timeliness and relevance of information and statistics;
- Quality of analysis;
- Its usefulness to real world management issues; and/or
- Implication for economic policy.

The report will be assessed against the relevant unit objectives, being:

- Interpret the meaning of economic information (both statistical, and qualitative), and to identify the additional economic (and other) information which might be useful for a

decision.

Please submit a softcopy through iLearn. No hardcopy required.

On successful completion you will be able to:

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Final examination

Due: **Exam week: 19 - 24 March 2018**

Weighting: **50%**

TOPICS: Topics covered in weeks 7 – 9.

The duration of the final examination is three (3) hours. Additional ten (10) minutes reading time is provided at the beginning.

The exam is closed-book, and includes short answer questions based on short scenarios provided in the exam paper.

You are expected to present yourself for examination at the time and place designated in the MGSM Examination Timetable. The timetable will be available at <https://students.mgsm.edu.au/sydney-students/units/exams/>

On successful completion you will be able to:

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Delivery and Resources

This unit exposes students to the basic concepts, tools and frameworks of economics to enable them to make sense of managerial decision-making within the micro-, macro- and international economic context. Topics include demand and supply and the notion of market equilibrium; firm behaviour; transaction costs and vertical integration; information goods/services; labour markets; macroeconomics; and international trade.

Compulsory Textbook:

Gans, J., King, S., Stonecash, R., Byford, M., Libich, J. & Mankiw, N. G. (2014) Principles of

Economics: Australia and New Zealand edition, 6th edition, Cengage Learning Australia, ISBN 9780170248532

For information on textbook prices and online ordering, please refer to the Co-Op Bookshop webpage at <http://www.coop.com.au>

Additional required readings listed in Unit Schedule and will be available via iLearn

The web page for this unit can be found at: <https://ilearn.mq.edu.au/login/MGSM>

The timetable for classes can be found on the MGSM Student website at <https://students.mgs.m.edu.au/sydney-students/units/timetables>

Unit Schedule

Weekly class - Monday 9am - 1pm (Starts: 8 January 2018)

Students are required to attend all classes.

Module	Content	Required readings
1	Introduction to Economic Reasoning	Textbook chapters 1, 2, & 3
2	Market Forces: Demand and Supply; Elasticity of Demand	Textbook chapters 4 & 5
3	Models of Firm Behaviour	Textbook chapters 13, 14, 15 & 18
4	Firm's Make or Buy Decisions: Transaction Costs and Vertical Integration	Grant, R. (2016) 'Vertical Integration and the Scope of the Firm' Chapter 11 in Contemporary Strategy Analysis (9th edition), John Wiley & Sons Anand et al. (2000) Market Failures, HBSP Barney, J. (1999) 'How a Firm's Capabilities Affect Boundary Decisions', Sloan Management Review, Spring, 137-145
5	Information and Information Goods/ Services	Corts, K. (1997) Asymmetric Information, HBSP The Economist (2001) 'The Lemon Dilemma', October 30 Evans, P. & Wurster, T. (1997) 'Strategy and the New Economics of Information', Harvard Business Review Sept-Oct, 71-82 Shapiro, C. & Varian, H. (1999) 'The Information Economy' Chapter 1 in Information Rules: A Strategic Guide to the Network Economy, HBSP
6	Labour markets	Textbook chapters 19 & 20
7	The Macroeconomy and its Impact on Business	Textbook chapters 27, 29, 30 & 31
8	Macroeconomic Policy	Textbook chapters 33 & 34
9	Global Trade and International Business	Textbook chapter 9
10	Overview and Exam Preparation	

Learning and Teaching Activities

Active Learning

Lectures will be used to introduce you to topics, and to show you how these things fit into a broader context. You will then need to read up on and revise basic concepts through the readings. Lectures and class exercises will show you how to apply the concepts and techniques.

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Undergraduate students seeking more policy resources can visit the [Student Policy Gateway \(https://students.mq.edu.au/support/study/student-policy-gateway\)](https://students.mq.edu.au/support/study/student-policy-gateway). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central \(https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central\)](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

Results

Results shown in *iLearn*, or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au.

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://stu>

dents.mq.edu.au/support/

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to improve your marks and take control of your study.

- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module for Students](#)
- [Ask a Learning Adviser](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

For queries about your study at MGSM, please contact studentservices@mgsm.edu.au

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.

Graduate Capabilities

PG - Capable of Professional and Personal Judgment and Initiative

Our postgraduates will demonstrate a high standard of discernment and common sense in their professional and personal judgment. They will have the ability to make informed choices and decisions that reflect both the nature of their professional work and their personal perspectives.

This graduate capability is supported by:

Learning outcomes

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment tasks

- Case Analysis 1
- Case Analysis 2
- Final examination

PG - Discipline Knowledge and Skills

Our postgraduates will be able to demonstrate a significantly enhanced depth and breadth of knowledge, scholarly understanding, and specific subject content knowledge in their chosen fields.

This graduate capability is supported by:

Learning outcomes

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment tasks

- Case Analysis 1
- Case Analysis 2
- Final examination

PG - Critical, Analytical and Integrative Thinking

Our postgraduates will be capable of utilising and reflecting on prior knowledge and experience, of applying higher level critical thinking skills, and of integrating and synthesising learning and knowledge from a range of sources and environments. A characteristic of this form of thinking is the generation of new, professionally oriented knowledge through personal or group-based critique of practice and theory.

This graduate capability is supported by:

Learning outcomes

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment tasks

- Case Analysis 1
- Case Analysis 2
- Final examination

PG - Research and Problem Solving Capability

Our postgraduates will be capable of systematic enquiry; able to use research skills to create new knowledge that can be applied to real world issues, or contribute to a field of study or practice to enhance society. They will be capable of creative questioning, problem finding and problem solving.

This graduate capability is supported by:

Learning outcomes

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment tasks

- Case Analysis 1
- Case Analysis 2
- Final examination

PG - Effective Communication

Our postgraduates will be able to communicate effectively and convey their views to different social, cultural, and professional audiences. They will be able to use a variety of technologically supported media to communicate with empathy using a range of written, spoken or visual formats.

This graduate capability is supported by:

Learning outcomes

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment tasks

- Case Analysis 1
- Case Analysis 2
- Final examination

PG - Engaged and Responsible, Active and Ethical Citizens

Our postgraduates will be ethically aware and capable of confident transformative action in relation to their professional responsibilities and the wider community. They will have a sense of connectedness with others and country and have a sense of mutual obligation. They will be able to appreciate the impact of their professional roles for social justice and inclusion related to national and global issues

This graduate capability is supported by:

Learning outcomes

- Evaluate a wide array of local and global economic information and how changes in economic conditions affect individual businesses and households.
- Identify and articulate the features of a market based on its structure and predict the implications for the likely choices and behaviour of market participants.
- Develop a strategy for efficient allocation of scarce resources in a global marketplace.

Assessment tasks

- Case Analysis 1
- Case Analysis 2
- Final examination

Changes from Previous Offering

No changes from previous offering

Attendance Policy (MGSM)

The interactive environment of the classroom is central to the MGSM experience. Students are required to attend the full duration of all classes for the units in which they are enrolled. We recognise that exceptional circumstances may occur, such as unavoidable travel on behalf of your organization or the serious illness or injury of you or a close family member.

Special consideration may be given for a maximum of 20% non-attendance for such circumstances as long as lecturers are contacted in advance, and supporting documentation provided, to request exemption from attendance. Failure to abide by these conditions may result in automatic withdrawal, with academic and/or financial penalty. The full Student Attendance Policy is published in the MGSM Student Handbook at <https://students.mgsm.edu.au/handbook>

Content Disclaimer

These unit materials and the content of this unit are provided for educational purposes only and no decision should be made based on the material without obtaining independent professional advice relating to the particular circumstances involved.

Unit alignment with MGSM's mission-driven attributes

- **Leadership:** Develop skills required of leaders with respect to the synthesis of a wide array of economics information in order to make well-informed and financially robust strategic decisions
- **Global mindset:** Assessment of the implications of global activity and strategic decisions from an entity perspective, across a wide spectrum of stakeholders
- **Citizenship:** Apply a true and fair view approach to matters of economic policy making and implementation related to business strategies through consideration of the wider stakeholder implications which may arise from such policies and the subsequent business decisions
- **Creating sustainable value:** Adopt a forward-looking perspective on the impact of decisions on an entity's financial position and performance. Deliver and exchange sustainable value across industries and contexts

Changes since First Published

Date	Description
24/04/2019	Contact details removed as per request of lecturer