

DBS SCHOOL OF BUSINESS

LJMU DEGREE PROGRAMMES

MODULE PROFORMA

Module Title: Business Economics

Level: 2

Assessment: Continuous Assessment: 30%

Examination: 70%

Prerequisites: Economics

Credits:12

Objectives:

- To develop student knowledge of economic principles and tools which can be applied in the business environment.
- To enable students to identify and evaluate the fundamental factors determining a market.
- To give students a critical understanding of contemporary economic issues.

Learning Outcomes:

On completion of this module students will be able to:

- Analyse and interpret economic and financial data and reports.
- Display awareness of the interrelationship between international economic variables.
- Demonstrate understanding of the mechanisms and operation of the key economic variables in the economy.
- Identify and explain the economic variables which affect both the national economy and international business.

Syllabus:

The Fundamentals of Managerial Economics

- The Economics of Effective Management; Understanding Markets, the Time Value of Money; the use of Marginal Analysis.

Competitive Strategies

- Growth Strategies of Firms; Strategic Pricing; Competitive Strategies; Risk Analysis; Principal/Agent Problems.

The Influence of Market Environment on Competitive Strategies

- The Traditional Approach; Imperfect Competition explored; the Cournot's Model; the Stackelberg's Model; the Kinked Demand Curve; Prisoners Dilemma; an Introduction to Collusive Oligopoly.

Consumer Motivation and Indifference Curve Analysis

- Indifference Curve Analysis; Budget Constraints; Indifference Curves; Price Effects;
- Normal and inferior goods; Giffen goods.

The Cost of Production

- Cost Curves revised; the Cost Minimising Input Choice; Production with two Inputs; Economies of Scope.

Economic Growth/Employment

- National Income; Irish Economic growth since the early 1990's; growth forecast.

Government Intervention

- Functions of Government Intervention; Stabilisation Policy.

Taxation Policy/National Debt

- Tax Policy; Ireland and Debt (Private/Public).

International Environment

- Exchange Rates; history and implications of EMU; performance of the Euro/Dollar; Free Trade V Protection.

Environmental Economics

- Market Failure; Economics of Pollution; Evaluation of Public Policy