

# EC229-15 Economics of Strategy

**20/21**

**Department**

Economics

**Level**

Undergraduate Level 2

**Module leader**

Ilan Kremer

**Credit value**

15

**Module duration**

10 weeks

**Assessment**

100% exam

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

EC229-15 Economics of Strategy

[Module web page](#)

### Module aims

To develop the concepts and insights gained from Economics for Business which mainly explores short run business issues. This module will examine the longer run aspects of business and the economic environment in which companies operate in order to equip students with an understanding of fundamental concepts in micro and macroeconomics, as relevant for the study of strategic decisions of firms; develop a range of appropriate analytical skills, including descriptive, graphical and elementary mathematical methods used in the economic analysis of strategy; develop in students the capacity to apply analytical techniques to real world business problems and strategy choices.

### Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

The module will typically cover the following topics:

Business economic approaches to business performance and strategy; Internal economics of firms. Costs in long run. Investment in physical and human capital. Intertemporal decisions;

Firms and consumers in the market place. Indifference curve analysis of product choice and savings. Imperfect information;

Exposure and macroeconomy recap of economics for business; Interest rates and financial markets;

Understanding aggregate demand and aggregate supply. Price levels, inflation and unemployment. The importance of expectations;

Exchange rates, exchange rate regimes fixed and floating. Optimum currency areas; Current macro issues e.g. oil prices, global imbalances;

The long run. Illustrating how and exploring why GDP growth rates differ across countries and through time; Imperfect product markets. Differentiation, monopolistic competition and monopoly, barriers to entry; Strategic rivalry. Oligopoly, game theory, entry deterrence; Growth strategies. Horizontal and vertical growth, diversification; Governance and regulation. Market failure and government failure; Imperfect labour markets. The economics of trades unions; Summary of the economic approach to strategy.

## Learning outcomes

By the end of the module, students should be able to:

- Subject knowledge and understanding Understand key concepts in Economics, such as long run cost curves, human capital investment, yield curves, IS/LM, aggregate supply/aggregate demand models, imperfect competition. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, Reading, Exercise question sheets, Tutorial discussions, Essays, Group projects. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.
- Subject knowledge and understanding Demonstrate knowledge of economic trends, institutions and policies, especially in the context of strategic decisions of businesses. The teaching and learning methods that enable students to achieve this learning outcome are: Exercise question sheets, Essays, Group Projects, Tutorial discussions and presentations. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.
- Subject knowledge and understanding Abstract and simplify basic economic problems through the application of simple theoretical models. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, Reading, Exercise question sheets, Tutorial discussions, Essays, Group projects. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.
- Key Skills Communicate knowledge and understanding of economics in written, spoken,

graphical and in elementary mathematical forms. The teaching and learning methods that enable students to achieve this learning outcome are: Exercise question sheets, Essays, Group Projects, Tutorial discussions and presentations. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.

- Key Skills Present the output of their own work to an audience. Work effectively on team projects. The teaching and learning methods that enable students to achieve this learning outcome are: Group Projects, Tutorial discussions and presentations. Group Projects. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Group Projects, Tutorial presentations.
- Key Skills Conduct individual and collaborative research into an Economic topic, using world wide web and library resources. The teaching and learning methods that enable students to achieve this learning outcome are: Exercise question sheets, Essays, Group Projects. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.
- Cognitive Skills Analyse and formulate models for understanding and solving problems. The teaching and learning methods that enable students to achieve this learning outcome are: Exercise question sheets, Essays, Group Projects, Tutorial discussions and presentations. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.
- Cognitive Skills Analyse competing models and hypotheses in a critical way. The teaching and learning methods that enable students to achieve this learning outcome are: Exercise question sheets, Essays, Group Projects. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Essays, Group Projects, Summative: Summer Examination.
- Subject-Specific/Professional Skills Select and apply appropriate economic models and techniques to particular problems relating to business and industry. The teaching and learning methods that enable students to achieve this learning outcome are: Lectures, Reading, Exercise question sheets, Essays, Group Projects, Tutorial discussions and presentations. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Exercise question sheet answers, Essays, Group Projects, Summative: Summer Examination.
- Subject-Specific/Professional Skills Produce concise and analytical reports relating to economic problems and issues. The teaching and learning methods that enable students to achieve this learning outcome are: Essays, Group Projects, Tutorial presentations. The summative assessment methods that measure the achievement of this learning outcome are: Formative: Essays, Group Projects, Summative: Summer Examination.

## Indicative reading list

Please see Talis Aspire link for most up to date list.

[View reading list on Talis Aspire](#)

## Subject specific skills

Students will have the opportunity to develop skills in:

Analytical thinking and communication

Analytical reasoning

Critical thinking

Creative thinking

Strategic thinking

Problem-solving

Abstraction

Policy evaluation

Analysis of incentives

Analysis of optimisation

Understanding of Uncertainty and Incomplete Information

## Transferable skills

Students will have the opportunity to develop:

Research skills

Numeracy and quantitative skills

Data-based skills

IT skills

Written communication skills

Oral communication skills

Mathematical, statistical and data-based research skills

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## Study

### Study time

Type	Required
Lectures	10 sessions of 1 hour (7%)
Seminars	8 sessions of 1 hour (5%)
Online learning (scheduled sessions)	10 sessions of 1 hour (7%)
Private study	122 hours (81%)
Total	150 hours

### Private study description

Private study will be required in order to prepare for seminars/classes, to review lecture notes, to prepare for forthcoming assessments, tests, and exams, and to undertake wider reading around the subject.

## Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

Students can register for this module without taking any assessment.

### Assessment group B2

	Weighting	Study time	Eligible for self-certification
<b>Assessment component</b>			
Online Examination	100%		No
			<ul style="list-style-type: none"><li>• Students may use a calculator</li><li>• Answerbook provided by department</li></ul>

Reassessment component is the same

### Feedback on assessment

The Department of Economics is committed to providing high quality and timely feedback to students on their assessed work, to enable them to review and continuously improve their work. We are dedicated to ensuring feedback is returned to students within 20 University working days of their assessment deadline. Feedback for assignments is returned either on a standardised assessment feedback cover sheet which gives information both by tick boxes and by free comments or via free text comments on tabula, together with the annotated assignment. For tests and problem sets, students receive solutions as an important form of feedback and their marked assignment, with a breakdown of marks and comments by question and sub-question. Students are informed how to access their feedback, either by collecting from the Undergraduate Office or via tabula. Module leaders often provide generic feedback for the cohort outlining what was done well, less well, and what was expected on the assignment and any other common themes. This feedback also includes a cumulative distribution function with summary statistics so students can review their performance in relation to the cohort. This feedback is in addition to the individual-specific feedback on assessment performance.

[Past exam papers for EC229](#)

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## Availability

### Pre-requisites

To take this module, you must have passed:

- All of
  - [EC131-15 Economics for Business](#)

### Post-requisite modules

If you pass this module, you can take:

- EC335-15 Managerial Economics
- EC335-12 Managerial Economics
- EC204-30 Economics 2
- EC205-15 Development Economics (Macroeconomics)

## Courses

This module is Optional for:

- UIBA-MN34 Law and Business Four Year (Qualifying Degree)
  - Year 3 of MN34 Law and Business Studies Four Year (Qualifying Degree)
  - Year 4 of MN34 Law and Business Studies Four Year (Qualifying Degree)
- Year 2 of UIPA-L8N1 Undergraduate Global Sustainable Development and Business
- Year 3 of UIBA-MN31 Undergraduate Law and Business Studies
- UIBA-MN32 Undergraduate Law and Business Studies
  - Year 3 of MN32 Law and Business Studies (Four-Year)
  - Year 4 of MN32 Law and Business Studies (Four-Year)
- Year 5 of UIBA-MN37 Undergraduate Law and Business Studies (Qualifying Degree) with Intercalated Year
- UIBA-MN35 Undergraduate Law and Business Studies with Intercalated Year (3+1)
  - Year 3 of MN35 Law and Business Studies with Intercalated Year (3+1)
  - Year 4 of MN35 Law and Business Studies with Intercalated Year (3+1)
- Year 5 of UIBA-MN36 Undergraduate Law and Business Studies with Intercalated Year (4+1)