

# **ECO631 Business Economics and Public Policy**

**Level:** 6

**Credit Units:** 5 Credit Units

**Language:** ENGLISH

**Presentation Pattern:** EVERY JULY

## **Synopsis:**

Business Economics and Public Policy presents the fundamental ideas of managerial economics and international economics and their applications in business decision making. Individuals, companies and governments all operate within an economic environment that influence their decision making. Managerial economics focuses on how individual consumers and business interact in the market and how managers make strategic decision under various market structures. International economics discusses how changes in macroeconomic activities, interest rates, inflation, exchange rates, and government policies affect the economic environment that firms operate in. The goal of this course is to build your understanding of these mechanisms and develop your analytical skills to make optional business decisions.

## **Topics:**

- Demand, supply and market equilibrium
- Demand estimation and elasticity analysis
- Firm behaviours, and production and cost analysis of firms
- Market structure: perfect competition, monopoly and monopolistic competition
- Externalities and market failures
- Information asymmetry and the lemon market
- Economic policies and role of government
- Public policies: taxes and subsidies
- Labour market and the minimum wage
- International trade and trade wars
- Monopsony Market
- Duopoly Market

## **Textbooks:**

Michael Baye, Jeff Prince: Managerial Economics & Business Strategy 9th McGraw Hill  
ISBN-13: 9781259354311

**Learning Outcome:**

- Appraise how market equilibrium is established using demand and supply analysis.
- Estimate various costs and construct the various cost curves.
- Compare the characteristics of different market structures: perfectly competition, monopoly, and monopolistic competition.
- Evaluate externality and asymmetry of information and assess their consequences.
- Critique government policies and assess their implications on business.
- Assess the impact of international trade on a firm and its implications for business.

**Assessment Strategies (Evening Class):**

<b>Components</b>	<b>Description</b>	<b>Weightage Allocation (%)</b>
Overall Continuous Assessment	QUIZ 1	10
	PARTICIPATION 1	20
Overall Examinable Components	ECA	70
<b>Total</b>		<b>100</b>