

## MODULE SPECIFICATION – UNDERGRADUATE PROGRAMMES

### KEY FACTS

Module name	Business and Industrial Economics
Module code	BS2209
School	Cass Business School
Department or equivalent	UG Programme
UK credits	15
ECTS	7.5
Level	5
Delivery location (partnership programmes only)	

### MODULE SUMMARY

#### Module outline and aims

This module aims to provide a rigorous analytical framework in the economics of industrial organisation. Secondly, it aims to provide you with an understanding of the emerging scientific and technological developments in which businesses must operate in the 2010s and beyond.

The main objective of this module is to provide you with a rigorous understanding of the economics of industry and the rationale, as well as different mechanisms, for government intervention in the technological and global market conditions of the 2010s. Not only are the theoretical and policy-related aspects of industrial economics changing, but the relevant technologies and globalised market conditions have been undergoing fundamental changes in recent years. The arrival of the internet, electronic business, mobile, wireless and social media technologies, as well as the convergence of the life sciences, information and nanotechnologies (bio-nano-info- cogno convergence) revolutions are reshaping industries and blurring the boundaries between them, while mandating that businesses rethink the ways of doing business, compete and form strategic alliances. These frontier developments encompassing manufacturing and service industries and their implications for R&D, vertical integration, diversification, cross- border collaborative alliances, mergers and acquisitions and competition policy are examined throughout the module. Business and managerial decision making are further complicated due to the experience of the Great Recession 2008-10 and climate change imperatives and the emerging global coordination policies in response to both.

#### Content outline

### **PART I FOUNDATIONS IN ECONOMIC HISTORY**

1.INTRODUCTION: Scientific and Technological Revolutions and Global Industry 1890s-2010s

2.THE EVOLUTION OF PRODUCTION AND MANAGEMENT CONCEPTS 1890"s-2010s: Craft and Mass

Production, the Toyota Production Management System, Agile Manufacturing and Mass Customization

## **PART II ECONOMIC THEORY AND INDUSTRIAL ECONOMICS**

3.INDUSTRIAL ORGANISATION: The structure conduct performance paradigm, seller concentration and the determinants of profitability

4.MANAGERIAL AND BEHAVIOURAL THEORIES OF THE FIRM: Transaction costs, agency, resource-based theories

5.COLLUSIVE AND NON-COLLUSIVE OLIGOPOLY: Interdependence, conjectural variations, price leadership, game theory, dominant strategy, Nash-equilibrium

6.BARRIERS TO ENTRY: Absolute cost advantage, Limit Pricing, Predatory Pricing, Contestable Markets

7.PRICING STRATEGIES

8.R&D, INNOVATION AND PATENTS

9.HORIZONTAL MERGERS AND STRATEGIC ALLIANCES

## **PART III INDUSTRIAL STRUCTURE AND PUBLIC POLICY**

10.COMPETITION POLICY: UK, EU, USA, ASIA

11.REVISION SESSION

## **WHAT WILL I BE EXPECTED TO ACHIEVE?**

**On successful completion of this module, you will be expected to be able to:**

Knowledge and understanding:

- Analyse the full set of complex scientific, technological, financial, economic, and global governance issues which affect business, investment and management decision making in the 2010s and beyond
- Appraise the evolution of production and management systems in the 20th century and their implications for the early decades of the 21st century
- Identify the dramatic impact and implications of the convergence of major scientific revolutions in biology, nanoscience and nanotechnology and informatics in the international business environment in the 21st Century
- Apply key concepts in industrial economics

- Critically analyse the dramatic changes in the global techno-economic and business landscape
- Develop relevant and sustainable business and innovation strategies in the context of an understanding of competition policy in the EU, USA and Asia

Skills:

- Develop, demonstrate and apply analytical skills, problem solving tools and cognitive skills commensurate with the theoretical depth, complex models and high level concepts encountered
- Apply rigorous economic models in decisions relating to pricing, advertising, entry prevention, mergers and acquisitions and diversification
- Communicate and apply this knowledge and understanding in teamwork, problem solving procedures and business strategy formation across all types of professional working environments and industries over time after graduation

Values and attitudes:

- Demonstrate a clear capacity to understand the moral, ethical and philosophical issues involved in making management and business decisions
- Apply a critical, constructive and non-doctrinaire attitude with regard to the role of government vs the market in the workings of an economy
- Demonstrate strong moral and ethical consideration in corporate decision making and industrial policies with serious socioeconomic and employment repercussions

**HOW WILL I LEARN?**

A variety of learning and teaching methods will be used in this course.

Lectures are used to introduce context, concepts and techniques illustrated with practical and current examples. You will also have the opportunity to participate in class discussions and work through examples and exercises with the support of the lecturer. It is strongly recommended that you attend ALL lectures.

Tutorials are used to explore the concepts and practices covered in the lectures in more detail. Specifically, they are used primarily to demonstrate technical material, although some discussion and analysis will accompany the practical techniques. Tutorials take place in smaller groups and you are expected to interact with the tutor and other students.

Key learning and teaching resources will be put on the module website on Moodle.

In the independent study time you are encouraged to read widely and in depth around particular topics in preparation for lectures and tutorials. You may also spend time

working through sample exercises and questions. In addition you will be preparing and undertaking your coursework assignments and preparing for your final examination.

*Teaching pattern:*

Teaching component	Teaching type	Contact hours	Self-directed study hours	Placement hours	Total student learning hours
Tutorial	Tutorial	2	28	0	30
Lecture	Lecture	22	98	0	120
Totals		24	126	0	150

### WHAT TYPES OF ASSESSMENT AND FEEDBACK CAN I EXPECT?

#### Assessments

Coursework essay on original topics 3,000 words. Groups of max 2-4 students. This will be assessed against the specific learning outcomes outlined above.

Final Examination: 2.25 hours on all subject matter taught.

*Assessment pattern:*

Assessment component	Assessment type	Weighting %	Minimum qualifying mark	Pass/Fail?
Coursework	Written assignment, including essay	30	40	N/A
Exam – 2.25 hours	Written Exam	70	40	N/A

#### Assessment criteria

Assessment criteria are descriptions of the skills, knowledge or attributes you need to demonstrate in order to complete an assessment successfully and Grade-Related Criteria are descriptions of the skills, knowledge or attributes you need to demonstrate to achieve a certain grade or mark in an assessment. Assessment Criteria and Grade-Related Criteria for module assessments will be made available to you prior to an assessment taking place. More information will be available in the UG Assessment Handbook and from the module leader.

#### Feedback on assessment

Following an assessment, you will be given your marks and feedback in line with the University's Assessment Regulations and Policy. More information on the timing and

type of feedback that will be provided for each assessment will be available from the module leader.

### Assessment Regulations

The Pass mark for the module is 40%. Any minimum qualifying marks for specific assessments are listed in the table above. The weighting of the different components can also be found above. The Programme Specification contains information on what happens if you fail an assessment component or the module.

## **INDICATIVE READING LIST**

### **CORE READINGS:**

#### **Textbooks**

DOUMA, S. & SCHEUDER, H. (2013). *Economic Approaches to Organizations*. Pearson.

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#### **Articles**

COASE, R. (1937). The nature of the firm. *Economica*, 14, 386-405.

CONNORS, J. M. (2001) 'Our customers are our enemies: The Lysine cartel of 1992-1995. *Review of Industrial Organization*, 18, 5-21.

DAVIS, G. F. (2009) The rise and fall of finance and the end of the society of organizations. *Academy of Management Perspectives*, 23, 27-44.

JENSEN, M. C. (2001) Value maximisation, stakeholder theory, and the corporate objective function. *European Financial Management*, 7, 297-317.

LIEBOWITZ, S. J. & MARGOLIS, S. E. (1990) The fable of the keys. *Journal of Law & Economics*, 33, 1-25.

LIPCZYNSKI, J., WILSON, J. O. S. & GODDARD, J. (2009) *Industrial Organisation: Competition, Strategy, Policy*, FT Prentice Hall.

PENROSE, E. (1995) Limits to the growth and size of firms. *American Economic Review*, 45, 531-543.

PORTER, M. E. (1981) The contributions of industrial organization to strategic management. *Academy of Management Journal*, 6, 609-620.

SHAPIRO, C. & VARIAN, H. R. (1999) The art of standards wars. *California Management Review*, 41, 8-32.

STOUT, L., A. (2012) The problem of corporate purpose. *Issues in Governance Studies*, 48, 1-14.

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### **SUPPLEMENTARY READINGS:**

GRANT, R. (2012c). *Contemporary Strategy Analysis*, John Wiley & Sons; see chapter 8 (Technology-based industries and the management of innovation) and chapter 9 (Technology-based industries and the management of innovation.)

LIPCZYNSKI, J., WILSON, J. O. S. & GODDARD, J. (2009). *Industrial Organisation: Competition, Strategy, Policy*, FT Prentice Hall.

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**Appendix:** see <http://www.hesa.ac.uk/content/view/1805/296/> for the full list of JACS codes and descriptions

<b>CODES</b>		
<b>HESA Code</b>	<b>Description</b>	<b>Price Group</b>
133	Business and Management Studies	D
<b>JACS Code</b>	<b>Description</b>	<b>Percentage (%)</b>
L100	The systematic study of the production, conservation and allocation of resources in conditions of scarcity, together with the organisational frameworks related to these processes.	50
N100	The study of organisations and the environment in which they operate.	50