

MACQUARIE  
UNIVERSITY



FACULTY OF  
BUSINESS AND ECONOMICS

**BBA 204**  
**Industry Policy and Business**  
**Management**

**Semester 1, 2009**

*Department of Economics*

# BBA 204

## Industry Policy and Business Management

**Year and Semester:** 2009, Semester 1

**Unit convenor:** Ishrat Hossain

**Prerequisites:** (Admission to BBA or BIntBus or BeBus) and (BBA103 or ECON111)

**Corequisites:** None

**You should read this unit outline carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult the teaching staff in the unit.**

### ABOUT THIS UNIT

This unit introduces the microeconomic policy environment within which business operates and provides some of the analytical tools of economics which can be expected to assist in business decision making. It covers topics on theory of the firm, market structure, market power, pricing strategies, factor markets, market failures and aspects of contract theories. Specific issues addressed include competition policy, tariff policy, tax policy, price discrimination, advertising, the economics of information and cost/benefit analysis

### TEACHING STAFF

**Convenor:**

Ishrat Hossain

email: [ishrat.hossain@chere.uts.edu.au](mailto:ishrat.hossain@chere.uts.edu.au)

Room number and Consultation hours: To be advised

Clarification of specific points in lectures should be directed to Ishrat Hossain at the end of the lecture or in the tutorials or in his consultation hours. You will be notified of the consultation times for the lecturer by week 3. If you cannot contact your lecturer in person you should email him.

### CLASSES

- This unit provides 3 hours face-to-face teaching per week consisting of 1 x 2 hour lecture and 1 x 1 hour tutorial
- The timetable for lectures and tutorials can be found on the University web site at: <http://www.timetables.mq.edu.au/>

**Lecture**    Wednesday    1:00 - 3:00    W5C320

**Tutorial**    Wednesday    3:00 – 4:00    W5C320

Lectures will be recorded using iLecture. **However students are strongly advised to attend the lectures to benefit from the face-to-face interactions. 10% of the assessment comes from the tutorials. Hence attending the tutorials regularly would benefit the students immensely.**

Please consult the Course Diary below for precise details of the currently scheduled lecture dates for the whole unit. During the semester, unforeseen circumstances may require the cancellation or reorganization of some lectures and/or tutorials. Any cancellations will be announced as far as possible in advance both in lectures and on the unit website.

## REQUIRED AND RECOMMENDED TEXTS

### Prescribed Text:

Perloff, JM, *Microeconomics* (5th Ed), Pearson/Addison Wesley

The text is available for purchase at Co-op Bookshop. **MyEconlab**, an online assessment and tutorial system, comes with the text which would be helpful as a learning tool.

### Supplementary General Texts

You may find it useful to see how the same material is treated in other microeconomic texts. The following is a list of supplementary textbooks.

Jackson J. and McIver R., *Microeconomics* (8<sup>th</sup> Ed), McGraw-Hill, Sydney

McTaggart, D, Findlay, D. and Parkin, M., *Microeconomics*, Pearson

### Additional Material

The course becomes more useful and interesting if you attempt to read relevant economic news from the newspaper or magazines, such as *Sydney Morning Herald*, *The Economist*. **MyEconlab** also has a section, **eThemes of the Times**, which has relevant archived articles from *The New York Times*.

## UNIT WEB PAGE

Lecture and some tutorial material as well as up to date information concerning any aspect of the unit, including any changes to the schedule, will be available to students by logging on to Blackboard at <http://learn.mq.edu.au>.

**MyEconlab** website would be very useful. It has many study and practice tools including multiple choice questions. Students are encouraged to use this tool for their benefit.

## LEARNING OBJECTIVES AND OUTCOMES

At the completion of this unit you will be familiar with many of the microeconomic tools that individuals, policy makers and firms can use to analyse and resolve problems. Some of the uses of those tools that you will be familiar with:

- How and what effect decision making process of the individuals,
- How the firms make production decisions, select strategies and maximize profit, decide whether to buy from market or produce internally,
- How the behaviour of the firms varies under different market structures,
- The effect of tax policies and tariff policies on individuals and businesses,
- How the government can correct market failures or regulate markets.

In general, students will also see the use of economic theory on real-world issues.

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop students' generic skills in a range of areas. This unit will contribute to the development of skills in:

- Literacy, numeracy
- Self-awareness and interpersonal skills
- Communication skills
- Critical analysis skills
- Problem-solving skills
- Creative thinking skills

## ASSESSMENT

The components of assessment in this course are as follows:

	%
Mid Semester Test	25
Tutorial quizzes	10
Assignments	20
Final exam	45
Total	100

The multiple choice mid-semester test (25 questions) will be held on Wednesday **March 25**. The test will be held during the first 50 minutes of the lecture period, with a lecture to follow. The material covered in the test will be topics covered in the first 4 weeks (chapters 2-7).

There will be short in-class group exercise quizzes in the tutorial weeks 2-13. Seven of them will be randomly collected. Best 5 out of those 7 will comprise the 10% marks of the course.

There will be 2 case-study type group assignments, each of which is 10%. First one is due on **April 8<sup>th</sup> by 12:30 pm** and second one is due on **May 20<sup>th</sup> by 12:30 pm**. More details will be given in the class.

A 3 hour final examination for this unit will be held during the University Examination period. The examination will contain a multiple choice section (20%) and short answer question section (25%).

**Students must pass the final exam** and participate in other assessment components satisfactorily in order to pass the course

The University Examination period in First Semester 2009 is from **10/06/2009 to 26/06/2009**.

Failure to attend any of the assessment components without the submission of an Application for Special Consideration on the grounds of illness or unavoidable mishap together with the required supporting documentation will result in a mark of zero for the assessment.

If you wish to advise of your absence from mid-semester test for reason of illness or unavoidable mishap you must fill out an Application for Special Consideration. The forms are available from the Student Enquiry Service or online at <http://www.reg.mq.edu.au/Forms/APSCon.pdf>. The completed form with appropriate supporting documentation must be submitted to the Student Enquiry Service, not to the Faculty of Business and Economics.

For absence related to illness you will need to include an EFS Professional Authority Advice Form. Students granted Special Consideration for a missed mid semester test will not be allowed to sit the

test at a different time. The value of the final exam will be increased on a pro rata basis. Granting of Special Consideration for the final exam will permit students to sit for a supplementary examination.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

<http://www.timetables.mq.edu.au/exam>

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. Information about unavoidable disruption and the special consideration process is available at The policy and required documentation can be found at

[http://www.mq.edu.au/policy/docs/s/procedure\\_specialconsideration.htm](http://www.mq.edu.au/policy/docs/s/procedure_specialconsideration.htm)

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period

You are advised that it is Macquarie University policy not to set early examinations for individuals or groups of students. All students are expected to ensure that they are available until the end of the teaching semester, the final day of the official examination period.

## PLAGIARISM

The University defines plagiarism in its rules: "Plagiarism involves using the work of another person and presenting it as one's own." Plagiarism is a serious breach of the University's rules and carries significant penalties. You must read the University's practices and procedures on plagiarism. These can be found in the *Handbook of Undergraduate Studies* or on the web at:

<http://www.student.mq.edu.au/plagiarism/>

The policies and procedures explain what plagiarism is, how to avoid it, the procedures that will be taken in cases of suspected plagiarism, and the penalties if you are found guilty. Penalties may include a deduction of marks, failure in the unit, and/or referral to the University Discipline Committee.

## DETERMINATION OF OVERALL GRADE

A further requirement is that **students must pass the final exam** in order to pass the course.

The Academic Senate has a set of guidelines on the distribution of grades across a range from fail to high distinction. Your final result will include one of these grades plus a standardised numerical grade (SNG). On occasion, the raw mark that you receive for the unit may not be the same as the SNG that you receive. Under the senate guidelines, results may be scaled to ensure that there is a degree of comparability across the university and that units with the same past performances of their students should achieve similar results.

## STUDENT SUPPORT SERVICES

Macquarie University provides a range of Academic Student Support Services. Details of these services can be accessed at <http://www.student.mq.edu.au>.

**BBA204 UNIT DIARY 2009**

Week	Lecture Date	Perloff Chapter	Lecture Topic	Tutorial Topic
1	Feb 25	2, 3	Introduction, Supply and Demand model	Miscellaneous
2	March 4	4, 5	Consumer choice and theory	Supply and Demand model
3	March 11	6	Production	Consumer choice and theory
4	March 18	7	Costs	Production
5	March 25	8	<b>TEST</b> Competitive Models	Costs
6	April 1	9	Application of competitive model	Test 1 Feedback; Competitive Models
7	April 8	11, 12	Monopoly, Pricing and Advertising	Application of competitive model
<b>MID SEMESTER BREAK</b>				
8	April 29	13	Oligopoly and Monopolistic competition	Monopoly, Pricing and Advertising
9	May 6	15	Factor markets	Oligopoly and Monopolistic competition
10	May 13	18	Externalities, Cost-Benefit Analysis, Public goods	Factor markets
11	May 20	14	Game theory	Externalities, Cost-Benefit Analysis, Public goods
12	May 27	19, 20	Asymmetric Information, Contracts and Moral Hazards	Game theory
13	June 3		Revision	Asymmetric Information, Contracts and Moral Hazards

**Note:** Lecture time specified for each topic is an approximation. Some topics will be discussed in greater details than others.

Every attempt will be made to upload the lecture slides in the Blackboard by the Monday (before 5 pm) before the relevant lecture. You are required to print those before coming to the class.

## TUTORIAL

The Tutorial Program in ECON200 has three main aims:

- to explain and extend some of the material covered in lectures
- to focus attention on a problem solving approach to the analysis of microeconomic questions
- to encourage group discussion of economic issues.

Tutorials are an important complement to the attendance at lectures and private study. They provide a further means of understanding the course material, and provide useful feedback on your own progress and allow you to learn from the experience of others. As evidence from past performance suggests that **there is a high correlation between poor overall performance and poor tutorial attendance.**

The tutorial program begins in week one of the semester and runs through week thirteen. Each week there will be group exercises in quiz format (approximately 15 minutes) consisting of multiple choice questions and/or short question answers. Seven of them will be randomly collected. Best 5 out of those 7 will comprise the 10% marks of the course. Solutions to the exercises will be discussed after the quiz and will not be made available outside the tutorials.

Some assigned (at the end of the previous lecture) end-of-chapter questions may be discussed in the remaining time. To benefit most, students are highly encouraged to try the assigned problems before coming to the tutorial. Remember tutorials are a dialogue, not a lecture. Student participation is extremely important in the learning process. Tutorial program may evolve to make it as productive and interactive as possible.