Engineering Tripos Part IIA, 3E1: Business Economics, 2020-21

Module Leader

Prof Pollitt [1]

Lecturer

Lab Leader

[1]

Timing and Structure

Lent term. 16 lectures and coursework.

Aims

The aims of the course are to:

- Introduce students to the use of economics to understand the operation and decisions of businesses, their industrial environment and the macroeconomy.

Objectives

As specific objectives, by the end of the course students should be able to:

- Understand and be able to work with the basic theory of demand and supply and market equilibrium.
- Understand the theory of the firm, including the various types of costs that the firm faces, the idea of profit maximisation and the equilibrium of the firm.
- Understand different forms of market structure, including perfect competition, monopoly and oligopoly.
- Understand simple game theory and how it can be used in economic analysis.
- Understanding pricing of products and of inputs.
- Understand the concepts of market failure, externalities and public goods, and the policies a government might use to deal with them.
- Understand trade theory and strategic trade policy.
- Understand national income accounting and the standard Keynesian macroeconomic model.
- Understand the main determinants of the different components of aggregate demand.
- Understand the possible impacts of monetary and fiscal policy.

Content

Microeconomics (10L)

An Introduction to Economic Reasoning

Supply, Demand and Equilibria

Profit maximisation and Economic Optimisation

Consumers and Producers
Perfect Competition and Monopoly
Economics of Firm Strategy 1
Economics of Firm Strategy 2
Economics of Firm Strategy 3
Pricing Strategy
Labour Markets

Environmental Policy
Transport Policy, Public Goods, Public Ownership
Trade Theory
Trade Policy
Macroeconomics: The Macroeconomy
Macroeconomics: Fiscal and Monetary Policy

**Coursework**
Coursework details:
2000 word essay on topic to be discussed.

**Booklists**
Course textbook:

**Examination Guidelines**
Please refer to *Form & conduct of the examinations* [2].

**UK-SPEC**
The [UK Standard for Professional Engineering Competence (UK-SPEC)](https://www.uk-spec.org) [3] describes the requirements that have to be met in order to become a Chartered Engineer, and gives examples of ways of doing this.

UK-SPEC is published by the Engineering Council on behalf of the UK engineering profession. The standard has been developed, and is regularly updated, by panels representing professional engineering institutions, employers and engineering educators. Of particular relevance here is the [‘Accreditation of Higher Education Programmes’](https://www.uk-spec.org)

The Output Standards Matrices [5] indicate where each of the Output Criteria as specified in the AHEP 3rd edition document is addressed within the Engineering and Manufacturing Engineering Triposes.

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Links
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