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

Module Leader

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Lecturer

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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

Government Policy, International Economics and Macroeconomics (6L)

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:

Sloman, J., Garratt, D., Guest, J. and Jones, E. (2019), *Economics for Business*. 8th ed. Pearson.

Examination Guidelines

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

UK-SPEC

This syllabus contributes to the following areas of the UK-SPEC [3] standard:

Toggle display of UK-SPEC areas.

GT1

Develop transferable skills that will be of value in a wide range of situations. These are exemplified by the Qualifications and Curriculum Authority Higher Level Key Skills and include problem solving, communication, and working with others, as well as the effective use of general IT facilities and information retrieval skills. They also include planning self-learning and improving performance, as the foundation for lifelong learning/CPD.

IA1

Apply appropriate quantitative science and engineering tools to the analysis of problems.

KU1

Demonstrate knowledge and understanding of essential facts, concepts, theories and principles of their engineering discipline, and its underpinning science and mathematics.

KU2

Have an appreciation of the wider multidisciplinary engineering context and its underlying principles.

S1

The ability to make general evaluations of commercial risks through some understanding of the basis of such risks.

US1

A comprehensive understanding of the scientific principles of own specialisation and related disciplines.

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