

Victoria Management School

MMBA 503
ECONOMICS, ORGANISATIONS AND MARKETS

Summer Trimester 2005

COURSE OUTLINE

Contact Details

The course co-ordinator and lecturer is Bronwyn Howell, lecturer in Victoria Management School.

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Class Times and Room Numbers:

Thursdays 5:40-8:30 pm November 10, 17, 24; December 1, 8 2005; January 19, 26; February 2 2006, in GBLT3

Mid-term test Thursday January 12 2006, 5.40-7.30pm

Final examination to be held in the Registry examination period between February 13 and 19, 2006.

Optional tutorials will be held on Mondays 5.40-7.30pm and Tuesdays, 12.40-2-30pm, commencing in the week beginning November 14.

Course Objectives

MMBA 503 is designed to provide students with an introduction to applied microeconomics. The course focuses on providing students with a conceptual appreciation of the modern literature in industrial organisation and microeconomics, and on demonstrating how this body of literature can be used in thinking about a wide range of management problems. By the end of this course, students should have developed a knowledge of the principles of microeconomics sufficient to apply economic analysis to common management problems.

Course Content

The course is taught at a level that assumes no prior knowledge of economics, but participants whose first degree is in economics will naturally have some advantage in dealing with the course material. Participants who do not have any economics in their first university degree will benefit from careful study of the reading assigned during the first four weeks of term, since this will provide a range of fundamental microeconomic concepts that will be used later in the course.

Throughout the course there will be optional tutorial sessions that will provide review of the lecture material and related economic concepts. Tutorial discussion questions will be issued at each lecture. Tutorials also provide an opportunity for course participants to discuss assignment questions.

Textbook:

Recommended

Paul Milgrom and John Roberts, *Economics, Organization and Management*, (Prentice Hall).

Carlton and Perloff *Modern Industrial Organization* (Prentice Hall)

This textbook will be supplemented with applications to contemporary regulatory, competition and business decision problems in the New Zealand context.

Assessment Requirements

The best five marks gained in six assignments	30%
Mid-term test (closed book)	20%
2-hour final examination (closed book)	50%

Assignments

Six assignments will be set. The assignments are to be typewritten, double-spaced and no longer than four pages. At least five assignments must be completed. The best five marks will contribute to the assignment component of course assessment. Course participants have the option of completing only five assignments, or completing all six. If participants intend submitting only five assignments, it is strongly recommended that both assignments 1 and 2 are attempted. Assignments will normally be marked and returned within one week.

Assignment 1.	Distributed at lecture 2, handed in at lecture 3 (November 24).
Assignment 2.	Distributed at lecture 3, handed in at lecture 4 (December 1).
Assignment 3.	Distributed at lecture 4, handed in at lecture 5 (December 8).
Assignment 4.	Distributed at lecture 5, handed in at lecture 6 (January 19).
Assignment 5.	Distributed at lecture 6, handed in at lecture 7 (January 26).
Assignment 6.	Distributed at lecture 7, handed in at lecture 8 (February 2).

The assignments are to be presented to a standard appropriate to a management document (typed, with excellent English expression and structure of argument, with tables and graphs prepared to a high standard). Use of bullet points is acceptable where this provides the clearest presentation of the relevant ideas.

Mid-term Test

The two-hour mid-term test will be held on Thursday January 12, 5.40pm-7.30pm, venue t.b.a. covering the material in the first five weeks of the course. The test is closed-book, and will require participants to answer three questions from a large selection. The questions will be similar to those in the assignments.

Final Examination

A final two-hour closed-book examination will be held in the scheduled Registry examination period. In accordance with Victoria MBA programme policy, students must obtain a minimum of forty percent of the marks available on the final examination in order to pass the course.

Individual Work

All work submitted for assessment is to be substantially your own, although you are encouraged to discuss your ideas as they develop with other students. Submitting another's work as your own would be unethical, whether you are detected or not, and not consistent with the behaviour expected of future management leaders. There are substantial penalties (detailed in the University Calendar) for academic misconduct.

While the Victoria MBA programme has a tradition of study group collaboration, there are important elements in the assessment process that are strictly individual. Collaboration on individual assignments is not allowed beyond general discussion as to how one might interpret the nature of the assignment question. Please do not work together to formulate a response and do not loan out your completed assignments.

Penalties

In fairness to other students, work submitted after the deadline will incur a 2% penalty for each day late. You are expected to plan your work to make sufficient allowance for unexpected business demands; however, the tutor will discuss an extension of the deadline for students affected by illness or bereavement.

If you have any disabilities or special needs we will attempt to provide reasonable accommodation for those in respect of texts and examinations.

Mandatory Course Requirements

The terms requirement for the course is that participants must complete the mid-term test, the final exam and at least 5 assignments.

The student must achieve an overall course average of C grade or better AND obtain a minimum of forty percent of the marks available on the final examination in order to pass the course.

Victoria MBA Grading Standards

- Victoria MBA - **Excellent** Category
A (80 – 85%) to A+ (above 85%): The quality is performed to a very high level of proficiency, i.e. it is at a standard that makes it exceptional at Master's level.
- Victoria MBA - **Very Good** Category
B+ (70 – 74%) to A- (75 – 79%): The quality is performed at a high standard. Students have reached a level which clearly exceeds "competency".

- Victoria MBA - **Good** Category
B- (60 – 64%) to B (65 – 69%): The quality is clearly demonstrated without being exceptional in any way. Students can be thought of as competent in respect of this quality.
- Victoria MBA - **Satisfactory** Category
C (50 – 54%) to C+ (55 – 59%): The quality is demonstrated to a minimally acceptable level. There may be flaws but these are not serious enough to “fail” the student on this quality.
- Victoria MBA - **Unsatisfactory** Category
E (0 – 39%) to D (40 – 49%): The quality is absent or performed to a very low level, or the performance is seriously flawed in this respect.
- Please note that the MBA Board of Studies (End of Course Marks Meeting) reserves the right to adjust final grade distributions in order to achieve meaningful grading standards and equity in the application of evaluation standards across various MBA courses.

Communication of Additional Information

Additional information and information on any changes will be conveyed to students via class announcements and in written form on the university blackboard server for MMBA 503.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student Administration Office

The Student Administration Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications.

Easterfield (EA) - FCA/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce & Administration and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office, will be open from 9:00 am to 12:00 pm during Summer Trimester, offers the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- FCA Student Administration forms (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what

steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at: www.vuw.ac.nz/policy/StudentConduct.

The policy on Staff Conduct can be found on the VUW website at: www.vuw.ac.nz/policy/StaffConduct.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturers concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

www.vuw.ac.nz/policy/AcademicGrievances.

Academic Integrity and Plagiarism

Academic integrity is about honesty – put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows:

Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.

Plagiarism is not worth the risk.

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct (www.vuw.ac.nz/policy/studentconduct) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course.

Find out more about plagiarism and how to avoid it, on the University's website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all

other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

Student Support

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Co-ordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/ or email student-services@vuw.ac.nz.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email education@vuwsa.org.nz.

Maori and Pacific Mentoring programme (Manaaki Pihipihinga)

This is a free programme of mentoring for Maori and Pacific students doing first year courses within the Faculty of Commerce and Administration. Weekly one hour mentoring sessions: drafting and editing assignments/discussing any questions that you might have from tutorials or lectures and going over every aspect of essay writing, either in small group sessions or on a one-to-one basis.

This includes:

- A computer suite hooked up to cyber commons for students to use to produce their assignments.
- Regular skill-based workshops with a learning adviser from Student Learning Support Services.
- Networking with other Maori and Pacific support groups throughout the university.

For more information please contact:

Melissa Dunlop, Programme Coordinator

Ph: 463 6015 or Email: Maori-Pacific-Mentoring@vuw.ac.nz

PROVISIONAL SCHEDULE OF LECTURES

November 10	Organisation of firms and markets, efficiency; Cost concepts Readings: MR Ch 2; CP Chs 1, 2
November 17	Competition, monopoly and cartels; Public utilities and natural monopoly; Readings: CP Ch 3-4 & 20
November 24	Barriers to entry and contestability; Dominant Firm & Competitive Fringe; Oligopoly; Game theory Readings: CP Chs 5-6; MR Ch 4 Assignment 1 due
December 1	Bounded Rationality and Private Information; Risk and incentives, principal-agent relationships, and moral hazard Readings: CP MR Ch 5-7; C& P Ch13 Assignment 2 due
December 8	Corporate Governance, Financial Structure, Ownership and Control Readings: MR Chs 9 & 15 Assignment 3 due
January 12	Mid-term test
January 19	Compensation and Motivation Readings: MR Ch 11, 13 Assignment 4 due
January 26	Competition policy and the 2001 Commerce Act; Vertical Integration, Alliances, Franchises and Vertical Controls Readings: CP Ch 12, 19; MR Ch 16 Assignment 5 due
February 2	Product differentiation and advertising; Innovation and technological change Readings: CP Chs 14, 16 Assignment 6 due