

## Syllabus

### 1. Information about the course and lecturer

1.1. Name of the course:	Economics of Business Strategy
1.2. Faculty that coordinates the course:	<b>Faculty of Management and Finance</b>
1.3. Education path:	<b>Executive Master of Business Administration (EMBA)</b>
1.4. Number of hours scheduled in study plan ( <i>16 on-campus + 4 on-line hours / 32 on-campus + 3 on-line hours</i> ):	16 on-campus; 16 on-line
1.5. ECTS ( <i>filled by administrative</i> ):	
1.6. Lecturer's first and last name:	Jurgen Brauer

### 2. Course's learning objectives, and its way of verification

2.1. The general purpose/aim of this course:

To integrate functional areas of business management such as finance, operations, human resource management, logistics, and marketing on the basis of an underlying economic perspective on business strategy. This includes the economics of the firm, the industry, the market, and the external political, economic, and cultural environment (including ethics and corporate culture) within which modern firms operate. Emphasis is placed on competition within a global marketplace.

2.2. Intendent course outcomes in area of knowledge and skills

a. After this course Student will have **knowledge on**:

- Crafting, implementing, and monitoring an economics-based business strategy
- Financial ratio and competitor analysis
- Price and nonprice competition
- Value-creation
- Fundamental strategy options and complementary strategies
- Firms' horizontal and vertical boundaries
- Market entry and deterrent strategies; strategic commitments
- Evaluating a firm's internal resources and external environment
- Strategic consequences of ethical decisionmaking or corporate leadership

b. After this course Student will have the following practical **skills**:

- Financial ratio and competitor analysis
- Strategy design and execution; monitoring results of a strategic plan
- Strategic decisionmaking across functional areas of business
- Adjusting to unexpected strategic challenges
- Preparing and presenting briefings for Board of Directors

2.3 Course evaluation methods, general guidelines for approving the course (*grading scale: 5 (very good), 4 (good), 3 (adequate), 2 (failed)*).

Tentative

Team-based (up to 30%)

- 10% max.: Based on the overall Company Performance Score in business simulation
- 10% max.: Strategic Plan #1 (scoring based on company performance relative to plan)
- 10% max.: Strategic Plan #2 (scoring based on company performance relative to plan)

Individual-based (up to 70%)

- 10% max.: Quiz #1
- 20% max.: Midterm exam: Quiz #2
- 20% max.: Final exam: post-simulation comprehensive exam
- 10% max.: Peer Evaluation #1 (mid-simulation; strictly anonymous)
- 10% max.: Peer Evaluation #2 (post-simulation; strictly anonymous)

Extra credit (2 assignments, each worth up to five additional percentage points)

Grading scale

- 5 (very good) => 90%+
- 4 (good) => 80% to <90%
- 3 (adequate) => 70% to <80%
- 2 (failed) => <70%

**3. Course content and topics:**

- Models of competition, oligopoly, and monopoly
- Models of price elasticity and price flexibility
- Financial ratio analysis
- Evaluating a firm's internal resources and external environment
- Basic competitive strategy processes and options
- Strategy, ethics, and social responsibility
- Strategy and corporate culture and leadership
- Real-world case studies that demand an economic understanding of strategy
- Integration of all basic functional areas of business from a strategic point of view that, in turn, is based on economic science.

**4. Reference list:**

- Excerpts from (1) *Strategy: Core Concepts and Analytical Approches*. Author: Arthur Thompson (University of Alabama). Burr Ridge, IL: McGraw-Hill; (2) *Economics of Strategy*. Authors: David Besanko, David Besanko, David Dranove, Mark Shanley, Scott Schaefer. Hoboken, NJ: Wiley; (3) *Contemporary Industrial Organization*. Authors: Lynne Pepall, Dan Ricahrds, and George Norman. Hoboken, NJ: Wiley.
- Simulation (with numerous reading materials and audio and video files): *The Business Strategy Game* (same author and publisher).
- Lecture notes, case studies, and additional readings on to be determined later and placed behind a password-protected website.

Date of syllabus preparation: 23 Nov. 2018

Date of last update of syllabus: 28 Dec. 2018

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