

LCBB 5008 Management Economics

Assignment 1 Guide

You may adopt this structure to organise your essay

Title page

1. Introduction (100 words)

Your introduction should focus on the following aspects of the chosen business:

- The company's history,
- Description of its activities,
- The industry that in which the business operates,
- The type of product it produces,
- The business environment in which it operates,
- The main markets and other aspects of the company's business profile,
- Explain briefly how you intend to respond to the assignment tasks.

2. Analysis and Discussion (2300 words)

Task 2.1: In this part of your essay, you are to identify demand and market equilibrium for your chosen business and for each of the factors that influence demand, describe how your main product or service is affected. In addition, you must explain whether the discussed factors suggest that the demand for the company's product is increasing or decreasing. To achieve a good mark in this part of the essay, you must reflect on the following factors:

- **Price of substitutes** - What is a substitute for the product or service? Is the substitute's price increasing or decreasing? How does this affect demand for your product or service?
- **Price of complements** - What is a complement for the product or service? Is the complement's price increasing or decreasing? How does this affect demand for your product or service?
- **Consumer Income** - Is consumer income increasing or decreasing? How does this affect demand for your product or service?
- **Consumer tastes & preferences** - How are consumer preferences changing? How does this affect demand for your product or service?

- **Consumer expectations of price** (of your product or service.) - Looking ahead, do consumers expect the price of your product or service to increase or decrease? How does this affect demand for your product or service?
- **Demographics** - Number of Consumers (Buyers) - Is the number of buyers increasing or decreasing? How does this affect demand for your product or service?

****Note that it is not enough to merely explain these factors, you must illustrate your explanation with relevant economic diagrams.***

Task 2.1: For each of the factors that influence the Price Elasticity of Demand, describe how your main product or service (described in 2 above) is affected. Explain whether the factor indicates that demand is more elastic or inelastic by reflecting on the following:

Substitution Effects. Luxury vs. Necessity - From the consumers point of view is this a luxury or a necessity? Does this factor indicate demand is more elastic or more inelastic?

Income effects. Percentage of income - Does the purchase of the good or service represent a large or small portion of the consumer's income? Does this factor indicate demand is more elastic or more inelastic?

Task 2.2: Given your analysis, what pricing policy should the business employ and why?

- You must provide justification for your recommendation.

3. Conclusion (100 words)

- Summarise and conclude.

Useful suggestions:

- *In the analysis and discussion section of this essay, it is not enough to merely explain issues, you must also reflect on relevant concepts, economic theories and literature (journal articles, textbooks, and other relevant sources) to support your arguments.*
- *Analysis of factors must be illustrated with relevant economics diagrams and microeconomic data. Where diagrams are used, they must be fully and correctly labelled.*
- *You must also give empirical evidence to support claims.*
- *Please pay attention to your in-text referencing style – you must be consistent in your approach.*

So also, this:

PLAGIARISM:

In submitting your assignment, you are affirming that any and all sentences, graphs, charts, tables etc., not specifically attributed to another source are your own creation. It is essential that you provide complete citations for all statements or analyses presented in your literature review that are derived wholly or in part from the works of others. To do otherwise is to present, as your own, the ideas, empirical evidence or analysis actually produced by someone else.

This includes any materials you find published in source consulted by you, including any and all materials published (posted) on the internet. This specifically includes working papers posted on author(s)' websites, departmental websites, special interest group websites and so forth.

References (This part is essential too!)

Example of referencing a book:

Daniels, J.P. and VanHoose, D.D. (2018). *Global Economic Issues and Policies* (Fourth edition). London and New York: Routledge Taylor & Francis Group

Examples of referencing an article in a journal:

Delfim Gomes, A., Jose Veiga, F (2013). Financial globalisation, convergence and growth: the role of foreign direct investment. *Journal of International Money and Finance*, 37: 161 – 186.

Dreher, A. (2006). Does globalization affect growth? Evidence from a new index globalization. *Applied Economics*, 38(10), 1091 – 1110.

Hickson, C. (2001). The WTO, the IMF, and the impact of their free-trade policies on developing nations. *Global Business and Economics Review*, 3(2), 175 – 185.

NOTE:

Please use the recent Company's Reports, and other relevant literature to complete these tasks in your ESSAY.

The following key factors are taken into account in the assessment of your essay:

1. Evidence for extensive and in-depth reading of relevant literature (journal articles, textbooks, and other relevant sources)
2. Understanding of the subject, as demonstrated by the ability to clearly explain the issues involved and an awareness of alternative views on the topic.
3. Thorough grasp of theories and/or theoretical models (where appropriate) relevant to the topic, the use of relevant concepts and (where appropriate) the use of diagrammatic analysis and/or equations.
4. Good use of comprehensive, relevant, accurate and up-to-date factual/statistical material (where this is appropriate).
5. Ability to think and to reason logically and consistently in the writing of the report.
6. Good use of a wide range of academic sources in the writing of the report, all of which have been fully and comprehensively referenced in the bibliography.
7. Ability to write in clear and grammatically-correct English, with proper use of paragraphs including both an opening/introductory paragraph that sets the scene and concluding paragraph bringing together the issues discussed in the report.
8. Ability to come to a clear set of independent, yet intelligent and well informed, conclusions that derive from the arguments contained in the rest of the report and the evidence cited.
9. The use of good written and communication skills in the presentation of the report, including typing, spelling, punctuation, sentence construction, the drawing of tables, the presentation of statistical material, the use of footnotes and the overall lay-out of the report.

