BS3340 – ECONOMICS OF BUSINESS ORGANISATIONS

Module Number: BS3340

Module Title: Economics of Business Organisations

Number of Aston Credits: 10

Total Number of ECTS Credits: 5
(European Credit Transfer)

Staff Member Responsible for the Module:

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Availability: Web based appointment system or group administrator, Mrs Lynne Woolley, SW907b, Extension 3038

Other Staff Contributing to the Module: None

Pre-Requisite(s) for the Module: BS2242 - Principles of Microeconomics

Module Learning Outcomes:

Upon successful completion of the module students will be able to:

- discuss key developments in the modern theory of the firm
- appreciate how the economics of the firm has become integrated with elements of strategy
- apply their theoretical knowledge to explaining of firms' organisational choices
- investigate the ways in which firms add value for their owners, and why they often fail to do so

Module Content:

Week

14	Introduction to the module. The boundaries of the firm: technology, scale and scope.
15 - 18	Transaction costs, vertical boundaries and vertical integration; diversification

18 - 21	Incentives in organisations: principal-agent model; pay structures. Ownership and control; CEO's compensation.
22	Creating value and sustaining competitive advantage: Resource based theory of the firm, Isolating mechanisms
23	Course revision. Questions and answers session

The module content is covered in a series of lectures and seminars. The lectures will be used to provide the basic theoretical foundation of the module while seminar and discussion groups will be used to apply the theory in specific contexts. This will allow the students to use economic theory to investigate the main determinants of a firm's performance.

International Dimensions:

The module content applies the theoretical views on different forms of business organisation observed in different countries and attempts to assess whether they are determinant in promoting successful performance.

Corporate Connections:

All the main theoretical development are illustrated by referring to relevant case studies of successful business organisations ranging from Ford to Apple. In their assessed work the student are asked to provide relevant examples of business organisations which illustrate theoretical issues covered in the lectures.

Links to Research:

My research is closely related to the modern theories of firm and is particularly focused on the factors shaping the success of entrepreneurial firms. In a broad sense, my research work also links the literature on economics of strategy with labour and personnel economics. The module content reflects these aspects of my research.

Learning and Teaching Rationale and Methods:

a) Method of Teaching - By lectures and seminars over twelve weeks. This involves 12 two-hour lectures which will be used flexibly to include lectures, seminars and group discussions.

b) Duration

Contact and directed learning	
Lectures	18 hours
Class presentation and discussion of cases	4 hours
Examination	2 hours
Indirect learning	
Exam revision	36 hours

Reading	40 hours
Total	**100 hours**

Ethical Approval:

This module does not require any primary research and no ethical approval will be necessary.

Assessment and Feedback Rationale and Methods:

Assessment is via a two-hour closed book examination (100%) during the May examination period.

The examination will comprise of two parts: part 1 consists of multiple choice questions to test the students understanding of basic concepts [40%], and part 2 tests of knowledge of the relevant theories and the capacity to evaluate them critically [60%].