Business Economics

Assignment Guidelines:

This task evaluates the core principles of business economics and cross-functional decision-making within corporate environments. Students are expected to solve real-world managerial problems across key functional areas (finance, production, and marketing), perform quantitative economic modelling using spreadsheets, and interpret computational results to guide sound strategic decision-making across varying risk scenarios.

Submission Format:

- **Type:** Practical Analytical Report (Business Economics Project)
- **Font/Spacing:** Times New Roman, Size 12, Double Spaced
- **Word Count:** 1500 – 2500 words (excluding formulas, economic tables, and computational appendices)
- **Submission Deadline:** To be announced by the respective professors

Assessment Criteria:

- Understanding and application of business economics concepts and decision theories – 20%
- Accuracy of quantitative modelling, cost/revenue functions, and spreadsheet execution – 25%
- Critical interpretation of managerial calculation results in functional business contexts – 20%
- Strategic insight, risk scenario evaluation, and quality of managerial recommendations – 25%
- Structure, technical reporting clarity, presentation, and APA referencing – 10%

Mandatory Sections:

- Title Page
- Table of Contents
- Executive Summary
- Introduction
- Theoretical Framework & Economic Laws
- Quantitative Modelling & Scenario Analysis
- Cross-Functional Discussion & Managerial Implications
- Conclusion & Recommendations
- References
- Appendices (Spreadsheet Output & Model Schedules)

Assignment Task – Choose ONE of the following practical projects:

Option 1: Functional Optimisation, Production Cost Functions, and Break-Even Analysis

Evaluate production decision-making, cost structure optimisation, and profit maximisation for a firm operating in a competitive business environment. Your paper should:

- Use spreadsheet tools to determine short-run and long-run costs (fixed, variable, marginal and average costs), and to perform a multi-product break-even analysis.
- Analyse the impact of economies of scale, input price fluctuations, and operational capacity limitations on a firm's profits.
- Study practical firm cost management and production strategy in firms experiencing volatile market changes.
- Develop a spreadsheet-optimisation-based managerial cost control model and an operational decision matrix.

Option 2: Decision Theory Under Uncertainty, Risk Analysis, and Financial Capital Allocation

Investigate formal quantitative decision-making tools to evaluate strategic capital investments across varying levels of information and risk scenarios. Your paper should:

- Analyse the sensitivity of financial decisions to changing market conditions, probability distributions, and risk preferences.
- Analyse real-life corporate case studies of strategic expansions or product launches that succeeded or failed, partly because of how they did or did not prepare for risk.
- Recommend a structured decision-making framework to inform capital allocation and risk mitigation in uncertain market conditions.

Option 3: Market Structure Dynamics, Dynamic Pricing, and Functional Alignment Strategy

Analyse how market structures (perfect competition, oligopoly, monopoly) influence pricing strategies, demand elasticity, and functional alignment across marketing, finance, and operations. Your paper should:

- Calculate price elasticity of demand (PED) and cross-price elasticity to model revenue optimisation under changing market conditions.
- Evaluate the strategic trade-offs between cost-plus pricing, dynamic value-based pricing, and competitive price-matching strategies.
- Discuss the cross-functional coordination required between marketing campaigns, production capacities, and financial working capital during demand swings.
- Create a functional alignment roadmap that integrates dynamic pricing models with operational inventory planning and revenue management.