



## COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Business Strategy Economics	

Academic staff	Core academic unit(s)
<b>Coordinating:</b> assoc. prof. Tom Hashimoto <b>Other(s):</b>	Faculty of Economics and Business Administration

Study cycle	Type of the course unit
Second	Compulsory

Mode of delivery	Semester or period when it is delivered	Language of execution
Mixed (auditory and remote)	Fall semester	English

Requisites	
<b>Prerequisites:</b> knowledge of microeconomics	<b>Co-requisites (if relevant):</b>

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	32	98

Purpose of the course unit		
<p><b>The aim of the subject is</b> that students will be able to carry out an economic analysis of the strategy not only by deepening the knowledge and skills acquired in the general economic courses, examining the longer-term aspects of the business economic environment, but will also be able to understand the fundamental features of economics that are significant for the analysis of strategic decisions of enterprises and will be able to apply both graphic and mathematical methods of economic analysis of the strategy.</p>		
Learning outcomes of the course unit	Teaching and learning methods	Assessment methods
Will be able to accumulate, analyse and interpret information independently; analyse and formulate patterns to be used for the perception and solution of problems; critically evaluate competing models and hypotheses;	Critical reading of the text, problematic teaching, lecture discussion, problem conversation, demonstration	Homework (tests with open and closed questions); final test
Will be able to select the models and methods of economic analysis to be used to solve specific business or industrial problems; understand economic trends, the significance of institutions and the policies they conduct, especially about business strategic decisions;	Computer and theoretical modelling, learning in action, learning in solving problems, critical reading of the text, arguments for and against	Homework (tests with open and closed questions); final test
Will perfect communication skills that will help to successfully operate in dynamic business environments and respond to changing conditions; will be able to report on related economic problems	Case studies, graphical visualisation techniques, participation in discussions, cross-discussions	Evaluation of the presentation of the case study

Will acquire a broad theoretical knowledge of business economics and will be able to apply it in practice.	Teksto kritinis skaitymas, mokymasis sprendžiant problemas, atvejų analizė	Homework (tests with open and closed questions); final test
They will be able to collect the scientific information necessary to verify economic insights and select the appropriate bibliographic sources.	Critical reading of the text, learning in action, learning to solve problems	Homework (tests with open and closed questions); final test

Content	Contact hours							Individual work: time and assignments	
	Lectures	Tutorials	Seminars	Workshops	Internship	Laboratory work	Contact hours, total	Individual work	Tasks for individual work
1. Introductory lecture. Goals and objectives of the subject, skills and benefits acquired by students. We will find out what a business needs a strategy for, why and how it relates to the economy, what problems are being solved, and what is the general model of the strategy.	1						1	1	Read „Economics of strategy“, p. 1-7.
2. The significance of the principles of economics in business strategy. Cost functions, economic costs and profitability, demand and income, game theory.	3		2				5	7	Read „Economics of strategy“, p. 9-54; identification, discussion of problems; test.
3. Business restrictions and their significance for business strategy. The historical perspective of the principles of economics; horizontal and vertical restrictions; business integration and its alternatives.	3		3				6	18	Read „Economics of strategy“, p. 55-123; case studies, discussion; Test
4. Analysis of the market and competition in the business strategy. Determining the competitor and defining the market. Market structure and competition. Oligopoly. Entry and exit from the market (new new trade theory), entry-back strategies. Competition in time: coordination problems; asymmetry of enterprises, good practices. Analysis of the industrial sector, competition and net worth.	3		4				7	18	Read „Economics of strategy“, p. 153-276; modelling, preparing a case study presentation, test.
4. Strategic positioning and dynamics. Competitive advantage model and value creation: win-win business solution capabilities, value creation and competitive advantage, value creation analysis, value creation and value chains, resources and production capacity. Cost-benefit advantages: identification of strategy, cost and benefit factors. Information and value creation. Maintaining competitive advantage: market structure and related threats; imitation of goods; creation of superiority and destruction. Innovation and the market for ideas.	3		4				7	18	Read „Economics of strategy“, p. 277-382, modelling, preparation of a case study presentation, test.
5. The internal structure of the business and its significance for the business strategy. Measurement of business activity and selection of its indicators. The significance of a business strategy for its structure and its types. The significance of the business environment and business culture.	3		3				6	18	Read „Economics of strategy“, p. 383-485, in preparation for the case study and test presentation.
Total	16		16				32	98	

Assessment strategy	Weight %	Deadline	Assessment criteria
Homework (tests with open and closed questions)	45	During the semester	Work at home. Timely tests of home dabs with open and closed issues are evaluated. A 10-point scale is applied to the assessment. Tests with closed questions and tasks are evaluated according to the volume of correctly performed tasks and questions answered, taking into account the weight assigned to them in the final grade of the test. Open-ended questions are evaluated according to the demonstrated level of knowledge and the completeness of the answers, which are evaluated according to the assessment scale given in the final section of the test.
Case study presentations	15	During the semester	A 10-point scale is applied to assess case study presentations. The evaluation criteria are as follows: clear presentation of ideas, quality of speech (clarity, volume), quality of reasoning, quality of conclusions, eye contact with the audience, quality of visually presented material, question management (quality of answer to questions), and time management (whether the time allotted for the presentation is properly used).
Final test	40		The final test consists of 20-30 open and closed questions (optionally, by the lecturer's decision). Rated as follows: 10 points or excellent knowledge and abilities: the work is done by all requirements; 9 points or good knowledge and skills: the work is done according to all requirements, but minor and minor errors are possible; 8-7 points or average knowledge and skills: the work does not fully meet the requirements, minor mistakes are possible; 6 points or satisfactory knowledge and abilities: the work does not fully meet the requirements, the structure of the work is not very clear and logical, the necessary parts are missing, data analysis is weak, and superficial conclusions are made. 5 points or weak knowledge and abilities: the work meets the minimum requirements. 4-1 points or unsatisfactory knowledge and abilities: the work does not meet the minimum requirements.

The grade of the subject exam is satisfactory when the arithmetic weighted average of the final test (correct answers must be at least 50 percent) and all other assessments (homework and case study presentation) is at least 5 points.

An externship exam is possible.

Author (-s)	Publishing year	Title	Issue, volume	Publisher
<b>Mandatory literature</b>				
David Dranove; David Besanko; Mark Shanley; Mark Schaefer	2017	Economics of Strategy	7th edition	Wiley
<b>Further reading</b>				
John Sloman, Elizabeth Jones	2020	Essential economics for business	6th edition	Pearson
John Sloman Dean Garratt Jon Guest Elizabeth Jones	2019	Economics for business	8th edition	Pearson