

Syllabus: Decision Making Techniques in the Business Environment

Postgraduate Studies Programme: Economic and Business Strategy

Course Description:

The course "*Decision Making Techniques in the Business Environment*" focuses on the study and application of economic theory in the business decision making process. Students will examine how market characteristics, competition, and firm behavior affect the profitability and efficiency of firms and use modern business economic models to solve real-world strategic decision making problems.

Learning Objectives:

Upon completion of the course, students will be able to:

- Analyse the market and its structure based on business economic models.
- Understand and apply theoretical models of competition and monopolistic behaviour.
- Evaluate pricing strategies, market entry and exit strategies, as well as partnerships and mergers.
- Apply industrial organisation to strategic decision making in real business cases.
- Identify and address regulatory and public policy issues affecting markets and businesses.

Themes:

1. **Market Analysis and Structure of Competition**
 - Perfect and imperfect competition.
 - Oligopolies and strategic decisions.
 - Market power and monopolies.
2. **Strategic Business Decisions and Competition**
 - Pricing strategies.
 - Cost management and market segmentation.
 - Product differentiation strategies.
3. **Entry and Exit conditions**
 - Barriers to entry and strategies for market entry.
 - Mergers, acquisitions and competition.
 - Departure and restructuring strategies.
4. **Market regulation**
 - Legal frameworks and competition regulations.
 - Interventions by regulators and the impact on business.
 - Global competition policy analysis.
5. **Applications in Strategic Decision Making**
 - Strategic alliance and partnerships.
 - Research and development (R&D) investment options.
 - Developing new markets and internationalisation.
6. **Business and Innovation**
 - The role of technology and innovation in industrial organisation.

- Analysis of the impact of digitisation on markets.
- Analysis of network markets
- 7. **Case Studies and Applications**
 - Analysis of real cases from various industries.
 - Discussion of strategic decisions of companies based on industrial organization theory.

Teaching Methods:

- Lectures with theoretical presentation of basic concepts and models.
- Discussion of case studies from real businesses.
- Group work and presentations on strategic business decisions.

Evaluation Methods:

- **Case study assignment (40%)**: group or individual work involving the analysis of a real business based on business decision making techniques.
- **Final Examination (50%)**: a written examination covering all the modules of the course.
- **Class participation (10%)**: assessment of active participation in discussions and group activities.

Bibliography:

- Cabral, L. M. B. (2017) *Introduction to Industrial Organization*. second edition, MIT Press.
- Pepall, L., Richards, D., & Norman, G. (2014). *Industrial organization: contemporary theory and empirical applications*. Wiley.
- Carlton, D. W., & Perloff, J. M. (2015). *Modern industrial organization*. Pearson.

Prerequisite Courses:

There are no formal prerequisites, but a good understanding of business economics and the basic principles of business administration is recommended.