

Module 6: The Firm and its Environment				Study programme	MBA english
Modul type:	ECTS-Points:	Workload:	Study stage:	Module duration:	
Compulsory	5	150	3rd	14 sessions	
Course(s):			Contact hours:	Independent study-hours:	Planned groupsize (max.):
Course 6a: Business Ethics & Sustainability Management			28	62	15
Course 6b: Industrial and International Economics			28	32	15
Module Learning Outcomes:					
<p>In module 6 participants broaden their perspective by working out the external framework for corporate actions. In a first step, students are enabled to identify the interaction between firms and the stakeholders who are affected by the firm on a societal, political, or ecological level. Students learn why and how firms should ethically act with respect to their nearer and wider corporate environment in different situations. In a second step, students work out the economic framework for corporate strategies. Using concepts of modern Industrial Economics students are enabled to discuss the determinants of the size and the structure of firms. They learn about the driving forces for competition and performance in industries and they will be provided with an understanding of regulation and competition policy. Moreover, many firms act in an increasingly integrated world economy. Therefore, students learn that international trade is at record levels relative to the size of the world economy, thanks to falling costs of transportation and communication. At the end of the course, they are able to explain why nations trade with each other and how distortions to free trade affect their welfare.</p>					
Intended Learning Outcomes:					
Course 6a: Business Ethics & Sustainability Management					
<p>After the attendance of this course, students are capable to</p> <ul style="list-style-type: none"> - explain the connection between business ethics and the law; - explain the most important drivers and concepts of sustainability; - describe important tools in business ethics and sustainability management; - analyse rights and duties of shareholders and specific ethical problems; - differentiate various forms of ethical shareholding and socially responsible investment; - outline ethical issues and problems faced in business-employee relations; - discuss implications of sustainability for workplaces and for specific working conditions; - outline ethical issues faced in business-consumer relations; 					

- analyse the arguments for more responsible marketing practices and challenges in sustainable consumption;
- describe ethical issues and problems that arise in an organization's dealings with its suppliers and competitors;
- discuss the relationships between business and civil society.

Basic literature:

Crane, A./Matten, D.: Business Ethics - Managing Corporate Citizenship and Sustainability in the Age of Globalization, 3rd ed., New York 2010

Course 6b: Industrial and International Economics

At the end of this unit students should be able to:

- Understand the determinants of the size and structure of firms
- Understand pricing behaviour by firms with market power and its welfare implications
- Evaluate various business practices, including tacit collusion, entry deterrence, product differentiation, price discrimination and vertical restraints
- Understand how the Ricardian model, the most basic model of international trade, works and how it illustrates the principle of comparative advantage
- Demonstrate gains from trade and refute common fallacies about international trade
- Evaluate the costs and benefits of tariffs, their welfare effects, and winners and losers of tariff policies

Basic Literature:

Begg, D./Ward, D.: Economics for Business, McGraw-Hill 2004

Carlton, D./Perloff, J.: Modern Industrial Organization, Addison-Wesley International 2004

Krugmann, P./Obstfeld, M./Melitz, M.: International Economics, Pearson 2012

Motta, M.: Competition Policy, Cambridge University Press 2004

Description / Contents:

Course 6a: Business Ethics & Sustainability Management

1. Introducing & Framing Business Ethics and Sustainability
2. Managing Business Ethics and Sustainability: Tools and Instruments
3. Shareholders and Business Ethics
4. Employees and Business Ethics
5. Consumers and Business Ethics
6. Suppliers, Competitors, Civil Society, and Business Ethics

Course 6b: Industrial and International Economics

1. Strategic interaction between firms and the determinants of industrial structure
2. The role of policy in the context of competition and regulation
3. Assessing market power
4. Competition policy and Anti-Trust-Law
5. The Pattern of International Trade
6. Labor Productivity and Comparative Advantage
7. Effects of International Trade
8. Instruments of Trade Policy
9. Political Economy of Trade Policy

Language:

Courses are taught in English.

Teaching methods:

Lecture, group work, self-study.

Module applicability:

MBA „General Management“ - english

Pre-requisites/Requirements:

Admission to the MBA programme “General Management” - english

Examination types:

Course 6a: Homework or written examination.
Course 6b: Homework or written examination.

Requirement for award of ECTS-points:

Successful participation in each of both examinations.

Course availability:

Annually

Assessment:

The exam of this module counts for 9,09 per cent of the final examination

Modul convenor and main lecturer:

Course 6a: Prof. Dr. Rüdiger Hahn and Prof. Dr. Gerd Rainer Wagner
Course 6b: Prof. Dr. Jens Südekum

Further information:

Material for the courses will be provided online before the courses start

Module Version:

20.07.2014