

MODULE OUTLINE ERM511

1. GENERAL INFORMATION

SCHOOL	FACULTY OF ECONOMICS AND MANAGEMENT, OPEN UNIVERSITY CYPRUS (OUC) & SCHOOL OF SOCIAL SCIENCES, HELLENIC OPEN UNIVERSITY (HOU)		
PROGRAM COURSE	ENTERPRISE RISK MANAGEMENT (ERM)		
LEVEL OF STUDY	POSTGRADUATE		
MODULE CODE	ERM511	SEMESTER OF STUDY	1 st
MODULE TITLE	Principles of Economics for Risk Management		
INDEPENDENT TEACHING ACTIVITIES <i>in case credits are awarded for separate components/parts of the course, e.g. in lectures, laboratory exercises, etc. If credits are awarded for the entire course, give the weekly teaching hours and the total credits</i>		HOURS	CREDIS
Weekly teaching hours 19-23 hours x 13 weeks		250-300	10 ECTS
COURSE TYPE Compulsory, Optional, Optional mandatory	COMPULSORY		
PREREQUISITE MODULES:	None		
LANGUAGE OF INSTRUCTION AND EXAMS	English		
THE MODULE IS OFFERED TO ERASMUS STUDENTS	Yes		
MODULE WEBSITE (URL)	https://www.ouc.ac.cy/index.php/el/studies/programmes/master/master-erm-2/thematikes-enotites-erm/3564-erm511 Each module has its own space in the Learning Management System of OUC (https://eclass.ouc.ac.cy/), with controlled access (use of code) for students and teaching staff.		

2. LEARNING OUTCOMES

<p>Learning Outcomes</p> <p><i>The course learning outcomes, specific knowledge, skills and competences of an appropriate (certain) level, which students will acquire upon successful completion of the course, are described in detail. It is necessary to consult:</i></p>
<p>Upon completion of this module, the students will be able to:</p> <p><u>Knowledge</u></p> <ul style="list-style-type: none"> - Exhibit a deep and thorough understanding of how to run the everyday business with its profit maximization objectives and how to plan for the future in order to maintain and expand profitability within a risk framework. <p><u>Comprehension</u></p> <ul style="list-style-type: none"> - Explain why market equilibrium occurs at the price for which quantity demanded equals quantity supplied. - Explain the concept of utility and the basic assumptions underlying consumer preferences. - Explain several factors that affect price elasticity of demand - Explain how different forces, like scale, scope and learning economies affect long-run costs - Explain why barriers-to-entry are necessary for market power in the long-run and discuss major types of entry barriers.

- Understand and explain why cooperation can sometimes be achieved when decisions are repeated over time and discuss four types of facilitating practices for reaching cooperative outcomes.

Application

- Make use of indifference curves to derive a demand curve for an individual consumer and construct a market demand curve
- Make use of empirically estimated or forecasted values of market price, average variable cost, and marginal cost to calculate firm's profit maximizing output and long- or short-run profits.
- Relate marginal revenue to total revenue and demand elasticity and write the marginal revenue equation for linear inverse demand functions.
- Construct firm's expansion path and show how it relates to the firm's long-run cost structure.
- Apply optimization theory to find optimal input combinations

Analysis

- Examine the structure of short-run production based on the relation among total, average and marginal products.
- List the steps in the strategic management process
- List the steps in the decision making process
- Relate short-run costs to the production function and the basic features of firms' technology.
- Analyze a typical production isoquant and discuss its properties

Synthesis

- Be able to identify the type of market conditions applicable in a business.
- Be able to compare production and cost functions across businesses.
- Identify ways of action and hedging in oligopolistic markets.

Evaluation

- Evaluate the characteristics of different markets.
- Evaluate deviations from profit maximization conditions and correct them respectively.
- Evaluate the power of competitors and their future steps vis-s-vis one's own business.

General Competences

Taking into consideration the general competences that students/graduates must acquire (as those are described in the Diploma Supplement and are mentioned below), at which of the following does the course attendance aim?

Search for, analysis and synthesis of data and information, by the use of technologies that are necessary according the case
Adapting to new situations
Decision-making
Independent work
Team work
Working in an international environment
Working in an interdisciplinary environment
Introduction of innovative research

Project planning and management
Respect for difference and multiculturalism
Environmental awareness
Social, professional and ethical responsibility and sensitivity to gender issues
Critical consciousness, criticism and self- criticism
Development of free, creative and inductive thinking

- Search for, analysis and synthesis of data and information by the use of appropriate technologies
- Adapting to new situations
- Decision-making
- Independent work
- Team work
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- Environmental awareness

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3. MODULE CONTENT

This Thematic Unit / Module is designed to introduce students to the foundation topics in microeconomics and industrial organization. This knowledge is important for reaching decisions in everyday business. The decisions aim to maximize profit and to strategically design and prepare a future for the business that will guarantee the existence and hopefully enlargement of profit in the long run. In fact this module will prepare students to forecast the framework of their business for the next day and thus hedge against business risks. In essence the module aims to prepare students as leaders who build business tactics and they will become a lot more than middle managers who rarely blaze trails in unknown areas and uncertain times such as those that businesses are encountered with nowadays.

Overall the module provides principles to foster the goals of the organization, as well as a better understanding of the external business environment in which an organization operates. In this module, future managers will learn how to increase company's profitability by applying economic analysis to a wide array of business problems. The course will develop students' capacity to analyze the economic environments in which business entities operate and understand how managerial decisions can vary under different constraints that each economic environment places on a manager's pursuit of his/her goals. Its focus will be on analyzing the functioning of markets, the economic behavior of firms and other economic agents under various market structures, and the economic and social implications of the outcomes.

The subjects covered by this module are:

- Basic principles and the consumer theory
- The production theory and Cost Theory
- Perfect competition and Imperfect Competition

4. TEACHING METHODS--ASSESSMENT

<p>MODES OF DELIVERY <i>Face-to-face, in-class lecturing, distance teaching and distance learning etc.</i></p>	<p>Distance education complemented with:</p> <ul style="list-style-type: none"> • 6 Group Consulting Meetings (GCM) of 2 hours each • Personal communication and feedback, where needed (consulting role of tutors) 										
<p>USE OF INFORMATION AND COMMUNICATION TECHNOLOGY <i>Use of ICT in teaching, Laboratory Education, Communication with students</i></p>	<p>The potential of ICT is exploited in the digital platform eclass which constitutes a modern distance learning environment (e.g. a space for dialogue and creative activities).</p> <p>Remote meeting tools (Blackboard) and presentation software (powerpoint) are used in GCMs.</p> <p>Office automation tools, web browsers and e-readers for digital books are also used by the students.</p>										
<p>MODULE DESIGN <i>Description of teaching techniques, practices and methods: Lectures, seminars, laboratory practice, fieldwork, study and analysis of bibliography, tutorials, Internship, Art Workshop, Interactive teaching, Educational visits, projects, Essay writing, Artistic creativity, etc</i></p>	<table border="1"> <thead> <tr> <th data-bbox="695 1633 1019 1671">Activity</th> <th data-bbox="1027 1633 1344 1671">Annual Workload</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1675 1019 1705">6 GCMs (x 2 hours)</td> <td data-bbox="1027 1675 1344 1705">12</td> </tr> <tr> <td data-bbox="695 1709 1019 1772">12 interactive activities (12 x 2-2.5 ώρες)</td> <td data-bbox="1027 1709 1344 1772">25-30</td> </tr> <tr> <td data-bbox="695 1776 1019 1839">3 written assignments (3 x 25-30 ώρες)</td> <td data-bbox="1027 1776 1344 1839">75-90</td> </tr> <tr> <td data-bbox="695 1843 1019 1873">Exams</td> <td data-bbox="1027 1843 1344 1873">0</td> </tr> </tbody> </table>	Activity	Annual Workload	6 GCMs (x 2 hours)	12	12 interactive activities (12 x 2-2.5 ώρες)	25-30	3 written assignments (3 x 25-30 ώρες)	75-90	Exams	0
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<p><i>The study hours for each learning activity as well as the hours of selfdirected study are given following the principles of the ECTS.</i></p>	<p>Individual study ((13 weeks *~10 hours) (2 weeks *~20 hours))</p>	<p>138-168</p>
	<p>Total module workload (hours)</p>	<p>250-300</p>
<p>STUDENT PERFORMANCE EVALUATION/ASSESSMENT METHODS <i>Detailed description of the evaluation procedures.</i></p> <p><i>Language of evaluation, assessment methods, formative or summative (conclusive), multiple choice tests, short- answer questions, open-ended questions, problem solving, written work, essay/report, oral exam, presentation, laboratory work, other.....etc.</i></p> <p><i>Specifically defined evaluation criteria are stated, as well as if and where they are accessible by the students</i></p>	<ul style="list-style-type: none"> • Students are evaluated with 9, if they collect 90% of the possible grade, I.e. 90%*10=9, etc. • Passing rate <ul style="list-style-type: none"> ○ 50% of the Assignments and weekly interactive learning activities, Students are allowed to participate in the final exam of a Module, if they have overall collected the minimum grade (> = 50%) in their assignments and weekly interactive learning activities. ○ 50% of the Final exam <p>Grades with decimal points, are rounded to the nearest half unit.</p>	

5. SUGGESTED BIBLIOGRAPHY

<p>Compulsory Bibliography</p> <ul style="list-style-type: none"> • Maurice, S.C and C.R. Thomas, Managerial Economics, Irwin/McGraw Hill (10th edition) 2010 • Digital Material available on e-class <ul style="list-style-type: none"> ○ Recording of Group Advisory Meetings ○ PowerPoint presentations on eClass <p>Optional Bibliography</p> <ul style="list-style-type: none"> • Baye, M. Study Guide for use with Managerial Economics and Business Strategy (7th Edition), Boston: McGraw-Hill Irwin, 2010. • Besanko, D. and R.R. Braeutigam. Microeconomics (5th Edition). New York: John Wiley and Sons, 2013. • Cowell, F. Microeconomics: Principles and Analysis. Oxford: Oxford University Press, 2006. • Donald N. Stengel, Managerial Economics, Business Expert Press, June, 2011 • Gravelle, H. and R. Rees. Microeconomics (3rd Edition). Essex: Financial Times/Prentice Hall, 2004. • Pindyck, R. and D. Rubinfeld. Microeconomics (8th Edition). Oxford: Pearson
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