

Study Abroad Programme

The module description below is from the 2019/20 academic year and is subject to change, and for the use of study abroad students only.

Module name	Economics of Digital Business
Module code	BM2207
School	Cass Business School
Department or equivalent	UG Programme
UK credits	15
ECTS	7.5
Level	5

MODULE SUMMARY

Module outline and aims

In this module you will learn about the mechanisms to generate and appropriate value in digital business. A good understanding of these mechanisms will be valuable to you if you plan to launch your own tech start-up, provide consultancy services or seek employment in the sector. You will learn about how economic forces shape digital business, how these forces differ from those of traditional industrial sectors (i.e., the industrial economy), and how innovative firms exploit these forces in the marketplace.

The module will aim to empower you with the conceptual tools and industry insights to achieve the following learning outcomes:

1. Map product characteristics and firm strategies for digital goods and online services to economics concepts and frameworks.
2. Establish causal relationships of how these product characteristics and strategic choices allow firms to generate and appropriate value.
3. Inform product design and firm strategy to profitably deploy new products and services.

Content outline

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The module aims to cover the following topics:

- Monopoly pricing and price discrimination (microeconomics review)
- Oligopoly price competition and differentiation
- Digital information goods, versioning, and bundling
- Multi-sided platforms, network effects and compatibility
- Causal loops, virtuous cycles, and business model representation
- Privacy, network formation, information sharing and information cascades
- Search and complexity landscapes, machine learning, discontinuous change

WHAT WILL I BE EXPECTED TO ACHIEVE?

On successful completion of this module, you will be expected to be able to:

Knowledge and Understanding

- Acquire basic grounding in the application of economics theory to IT
- Understand how information technologies affect market structure and competition
- Understand the rationale of firm strategy and consumer behaviour in the digital economy

Skills

- Identify relevant economic factors at play in specific industries and markets
- Understand the impact of firms' activities on consumers and competitors
- Improve business decision-making through understanding of market mechanisms
- Map economics logic to business models (and vice versa)

Values and Attitudes

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- Learn to use abstract models and conceptual thinking.
- Recognize the value of economic theory to analyse and develop business strategy
- Apply analytical thinking to decision-making and the design of business models

HOW WILL I LEARN?

Lectures are used to introduce context, concepts and techniques illustrated with practical and current examples. You will also have the opportunity to participate in class discussions and work through examples and exercises with the support of the lecturer. It is strongly recommended that you attend ALL lectures. Lectures constitute the backbone of the module, and class discussions and case studies will enable students to apply their learning in real world context thereby emphasising development of managerial and entrepreneurial skills.

Key learning and teaching resources will be put on the module website on Moodle.

In the independent study time you are encouraged to read widely and in depth around particular topics in preparation for lectures. You may also spend time working through sample exercises and questions.

Teaching pattern:

Teaching component	Teaching type	Contact hours	Self-directed study hours	Placement hours	Total student learning hours
Lecture	Lecture	22	128		150
Totals		22	128		150

WHAT TYPES OF ASSESSMENT AND FEEDBACK CAN I EXPECT?

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Assessments

This module will be assessed with a coursework test during the term (this is expected to be scheduled around week 6 and take place during the lecture) and a group project to be presented to the class. The last two or three lectures (depending on enrolment and group sizes) will be devoted to class presentations, discussion, and feedback.

Assessment pattern:

Assessment component	Assessment type	Weighting	Minimum qualifying mark	Pass/Fail?
Coursework	Set exercise	50%	0	N/A
In-class presentation	Class group presentation	50%	0	N/A

Assessment criteria

Assessment criteria are descriptions of the skills, knowledge or attributes you need to demonstrate in order to complete an assessment successfully and Grade-Related Criteria are descriptions of the skills, knowledge or attributes you need to demonstrate to achieve a certain grade or mark in an assessment. Assessment Criteria and Grade-Related Criteria for module assessments will be made available to you prior to an assessment taking place. More information will be available in the UG Assessment Handbook and from the module leader.

Feedback on assessment

Following an assessment, you will be given your marks and feedback in line with the University's Assessment Regulations and Policy. More information on the timing and type of feedback that will be provided for each assessment will be available from the module leader.

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Assessment Regulations

The Pass mark for the module is 40%. Any minimum qualifying marks for specific assessments are listed in the table above. The weighting of the different components can also be found above. The Programme Specification contains information on what happens if you fail an assessment component or the module.

INDICATIVE READING LIST

Reference textbooks:

Besanko, D., Dranove, D., Shanley, M. and Schaefer, S. (2017). *Economics of Strategy*. 7th edition. John Wiley & Sons. ISBN 978-1119378761.

Mankiw, G.N. (2017). *Principles of Economics*. 8th edition. Cengage Learning. ISBN 978-1305585126.

Parker, G. G., Van Alstyne, M. W., Choudary, S. P. (2017). *Platform Revolution: How Networked Markets are Transforming the Economy and How to Make Them Work for You*. W. W. Norton & Company. ISBN 978-0393354355.

Mcafee, A., Brynjolfsson, E. (2018). *Machine, Platform, Crowd: Harnessing Our Digital Future*. W. W. Norton & Company. ISBN 978-0393356069.

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