

Course Code	Course Title	L	T	P	C
BHUM208L	Economics of Strategy	3	0	0	3
Pre-requisite	NIL	Syllabus version			
		1.0			
Course Objectives					
1. To create awareness about the importance of strategic thinking among students 2. To understand the need for being competitive in all aspects of business 3. To familiarize the students with modern industrial organization with business strategy perspective					
Course Outcomes					
Upon successful completion of the course students will be able to					
1. Describe and apply elasticity of demand. 2. Apply the Economies of scale and scope concepts. 3. Interpret and apply the vertical integration concepts. 4. Explain and apply diversification. 5. Analyze and explain the market structures. 6. Critically evaluate entry and exit decisions.					
Module:1	Economic Concepts For Strategy	7 hours			
Demand, Elasticity and Revenue, Total Revenue and Marginal Revenue, Costs and Cost Functions - Fixed and Variable Costs, Theory of the firm, Game Theory - Normal and Extensive Games, Economic Costs and Profitability.					
Module:2	Production and Cost Behavior	6 hours			
Economies and Diseconomies of Scale and Economies of Scope – Sources, Indivisibilities, and the Spreading of Fixed Costs, The Learning Curve, Learning and Organization					
Module:3	The Economics of Transaction Costs	6 hours			
The Vertical Boundaries of Firm, Make Vs Buy Decisions, Contracts, Transactions Cost, Asset Specificity, Rents and Quasi-Rents, The Holdup Problem.					
Module:4	Diversification	6 hours			
Diversification - Reasons for Diversification, Costs of Diversification, Performance of Diversified Firms, Mergers and Acquisition- Benefits.					
Module:5	Market Structure	6 hours			
Market Structure and Competition, Measuring Market Structure, Monopoly, Monopolistic and Oligopoly Market Structures - Cournot and Bertrand Models, Market Structure and Performance					
Module:6	Industry Analysis	6 hours			
Five - Forces Analysis - Application of Five - Forces, Entry and Exit Decisions, Barriers to Entry, Entry - Detering Strategies, Exit- Promoting Strategies.					
Module:7	Strategic Positioning	6 hours			
Competitive Advantage and Value Creation - Value Creation Vs Value Redistribution, Cost and Benefit Advantage, Broad Coverage versus Focus Strategy.					
Module:8	Contemporary Issues	2 hours			
		Total Lecture Hours			45 hours
Text Book(s)					
1.	David Dranove, David Besanko, Mark Shanley and Scott Schaeffer (2017), Economics of Strategy. Wiley, 7 th Edition.				

Reference Books			
1.	Paul Belleflamme and Martin Peitz (2015), Industrial Organization: Markets and Strategies. Cambridge University Press, 2 nd Edition.		
2.	Don E Waldman and Elizabeth J Jensen (2019) Industrial Organization: Theory and Practice. Routledge, 5 th Edition.		
Mode of Evaluation: CAT, Quiz, Assignment and FAT			
Recommended by Board of Studies		23-02-2023	
Approved by Academic Council		No. 69	Date 16-03-2023