

| <b>ASSESSMENT BRIEF</b>       |  |
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| <b>Subject Code and Title</b> | ECON6000 Economic Principles & Decision Making   |
| <b>Assessment</b>             | Assessment 3: Report   |
| <b>Individual/Group</b>       | Individual   |
| <b>Length</b>                 | Up to 3000 words   |
| <b>Learning Outcomes</b>      | <ol style="list-style-type: none"> <li>1. Interpret and successfully apply economic concepts of supply and demand for effective organisational problem solving.</li> <li>2. Apply quantitative methods to forecast complex business variables including demand, supply, production and costs.</li> <li>3. Critically analyse production processes and cost functions and classify the main forms of market structures as well as recommend appropriate pricing and strategies.</li> <li>4. Critically evaluate the role and impact of various forms of government intervention in the economy including the implications of competition and deregulation policy for managerial practices.</li> </ol> |
| <b>Weighting</b>              | 40%  |
| <b>Total Marks</b>            | 40 marks   |

**Context:**

This assessment allows you to apply your knowledge on the concepts and ideas discussed during the Modules. This assessment draws on your work for assessment 2.

## Instructions:

Schmeckt Gut plans the market launch for the Schmeckt Besser energy bar in Atollia within the next couple of months. The Research Department of Schmeckt Gut has conducted a market analysis of Atollia. The results are provided for you in the supplied EXCEL file.

Based on international sources, the Research Department is comfortable in working with the following scenarios on the future development of average income in Atollia, the inflation rate development and tariff rates on imports from Industria:

- Income growth: 1% increase or 3% increase or 5% increase or 7% increase
- Inflation rate development: 2% increase or 3% increase or 4% increase or 5% increase
- Tariffs on imports from Industria: 7.5% or 10% or 5% or free trade

Note: These developments are not necessarily matched to each other in the sequence shown above; meaning that we do not know if the 1% increase in income is associated with a 2% increase in inflation rate and a 7.5% tariff rate.

## Your task:

Your task is to write a 3,000-word report addressed to the Board of Directors of Schmeckt Gut in which you address the following:

- Do you think you can match the different projections? That is, do you think that a 5% increase in income is associated with a 10% tariff rate and a 2% inflation rate? Explain by linking your discussion to the following concepts:
  - o supply and demand
  - o aggregated demand and aggregated supply
  - o the Philipps Curve, and
  - o the Laffer curve.
- What impact would the different predictions of income development, inflation rate development and tariff rate development have on the potential demand of Schmeckt Gut? Conduct a multiple regression analysis using data in the supplied Excel file and then interpret the results. Fully discuss and explain their implications.
- Make recommendations as to what the Board of Directors should do under each of your scenarios, based on your matching of the predictions.

The precise format of the report will be informed by research undertaken by the student using the Torrens University library. Formal document sections such as executive summary, table of contents and appendices are not counted in the word count. Assume that the prescribed word limit is literally a limit and that the board will reject any report that breaches it.

## Learning Rubrics

| Assessment Attributes   | Fail<br>0-49<br>(Unacceptable)   | Pass<br>50- 65<br>(Functional)   | Credit<br>66-75<br>(Proficient)   | Distinction<br>76-85<br>(Advanced)  | High Distinction<br>86-100<br>(Exceptional)  |
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| <i><b>Grade Description</b></i><br><i><b>(Grading Scheme)</b></i>   | Evidence of unsatisfactory achievement of one or more of the learning objectives of the course, insufficient understanding of the course content and/or unsatisfactory level of skill development. | Evidence of satisfactory achievement of course learning objectives, the development of relevant skills to a competent level, and adequate interpretation and critical analysis skills.   | Evidence of a good level of understanding, knowledge and skill development in relation to the content of the course or work of a superior quality on the majority of the learning objectives of the course. Demonstration of a high level of interpretation and critical analysis skills. | Evidence of a high level of achievement of the learning objectives of the course demonstrated in such areas as interpretation and critical analysis, logical argument, use of methodology and communication skills.   | Evidence of an exceptional level of achievement of learning objectives across the entire content of the course demonstrated in such areas as interpretation and critical analysis, logical argument, creativity, originality, use of methodology and communication skills.                                       |
| <i><b>Knowledge and Understanding of economic concepts of supply and demand</b></i><br><br><br><br><br><br><br><br><br><br><br><br><br><b>25%</b> | Limited understanding of required concepts and knowledge<br><br>Key components of the assignment are not addressed.  | Knowledge or understanding of the field or discipline.<br><br>Resembles a recall or summary of key ideas.<br><br>Often conflates/confuses assertion of personal opinion with information substantiated by evidence from the research/course materials. | Thorough knowledge or understanding of the field or discipline/s. Supports personal opinion and information substantiated by evidence from the research/course materials.<br><br>Demonstrates a capacity to explain and apply relevant concepts.  | Highly developed understanding of the field or discipline/s.<br><br>Discriminates between assertion of personal opinion and information substantiated by robust evidence from the research/course materials and extended reading.<br><br>Well demonstrated capacity to explain and apply relevant concepts. | A sophisticated understanding of the field or discipline/s.<br><br>Systematically and critically discriminates between assertion of personal opinion and information substantiated by robust evidence from the research/course materials and extended reading.<br><br>Mastery of concepts and application to new |

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|   |  |   |   |  | situations/further learning.  |
| <p><b>Critical reasoning, presentation and defence of an argument and/or position in context of organisational problem solving</b></p> <p>25%</p> | <p>Specific position (perspective or argument) fails to take into account the complexities of the issue(s) or scope of the assignment.</p> <p>Makes assertions that are not justified.</p> | <p>Specific position (perspective or argument) begins to take into account the issue(s) or scope of the assignment.</p> <p>Justifies any conclusions reached with arguments not merely assertion.</p> | <p>Specific position (perspective or argument) takes into account the complexities of the issue(s) or scope of the assignment. Others' points of view are acknowledged.</p> <p>Justifies any conclusions reached with well-formed arguments not merely assertion.</p> | <p>Specific position (perspective or argument) is expertly presented and accurately takes into account the complexities of the issue(s) and scope of the assignment.</p> <p>Justifies any conclusions reached with well-developed arguments.</p> | <p>Specific position (perspective or argument) is presented expertly, authoritatively and imaginatively, accurately taking into account the complexities of the issue(s) and scope of the assignment. Limits of position are acknowledged.</p> <p>Justifies any conclusions reached with sophisticated arguments.</p> |
| <p><b>Analysis and application with synthesis of new knowledge related to economic concepts of supply and demand</b></p> <p>30%</p>               | <p>Limited synthesis and analysis.</p> <p>Limited application/recommendations based upon analysis.</p>   | <p>Demonstrated analysis and synthesis of new knowledge with application.</p> <p>Shows the ability to interpret relevant information and literature.</p>  | <p>Well-developed analysis and synthesis with application of recommendations linked to analysis/synthesis.</p>  | <p>Thoroughly developed and creative analysis and synthesis with application of pretested models and / or independently developed models and justified recommendations linked to analysis/synthesis</p>  | <p>Highly sophisticated and creative analysis, synthesis of new with existing knowledge.</p> <p>Strong application by way of pretested models and / or independently developed models. Recommendations are clearly justified based on the analysis/synthesis.</p>   |

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|   |  |  |  |  | Applying knowledge to new situations/other cases.   |
| <b>Content, Audience and Purpose</b><br><br><b>20 %</b> | Demonstrates no awareness of context and/or purpose of the assignment. | Demonstrates limited awareness of context and/or purpose of the assignment | Demonstrates consistent awareness of context and/or purpose of the assignment. | Demonstrates an advanced and integrated understanding of context and/or purpose of the assignment. | Consistently demonstrates a systematic and critical understanding of context and purpose of the assignment. |