



## ECONOMICS FOR BUSINESS:

### CONTRIBUTION TO MBA LEARNING OBJECTIVES AND SUGGESTIONS FOR ADVANCED WORK

#### LEARNING OBJECTIVES

Course Objectives	PROGRAM LEARNING OUTCOMES (see Appendix)											Evaluation Methods/instruments
	1.1	1.2	1.3	1.4	1.5	2.1.a	2.1.b	2.2.a	2.2.b	2.3.a	2.3.b	
Perform basic economic analyses of production and pricing decisions.		X	X	X					X			Surprise exams and final exam
Identify economically relevant variables in organizational problems that involve potentially many aspects.		X	X	X					X			Surprise exams and final exam
Understand organizational problems in terms of the incentives of the parties involved.		X	X	X					X			Surprise exams and final exam

#### Appendix: PROGRAM LEARNING OUTCOMES

##### 1. BUSINESS KNOWLEDGE AND SKILLS

###### 1.1. Students should gain a thorough understanding of the problems relevant to the different functional areas.

Students should have a complete understanding of the most important Finance, Accounting, Management, Marketing and Operations problems. They should understand the most relevant aspects of the problems as well as the potential solutions to them. Regular course work is designed to meet this objective.

###### 1.2. Students should be able to diagnose potentially complex real-world problems.

For this purpose, they should be able to gather and analyze the relevant data. Regular course work, electives, case studies and the Business plan are designed to meet this objective.

###### 1.3. Students should be able to relate theory and practice.

Students should be prepared to tailor general concepts and solutions to specific organizational settings. Case studies, simulation games and the Business Plan are designed to meet this objective.

###### 1.4. Students should be able to understand the role of ethics and sustainability in business decision making

Students should have a complete understanding of the causes and consequences of ethic behavior and sustainability issues. Students should be able to provide potential solutions to them. Regular course work, electives, case studies and the Business plan are designed to meet this objective.



### **1.5 Students should be able to understand the role of digitalization in business decision making**

Students should have a full understanding of how digitalization affects the business world. They should be able to understand the problems and create potential solutions to them. Regular course work, electives, case studies and the Business plan are designed to meet this objective.

## **2. ORGANIZATION TEAM AND PERSONAL SKILLS**

### **2.1. Students should be able to explain their diagnosis and the solutions they propose in a clear and convincing way.**

(a) Students should be able to effectively communicate verbally in both English and Spanish languages with different types of people, particularly senior managers, teammates, subordinates, clients and suppliers. The team work that is being carried out throughout the year, electives and the Business Plan are designed to meet this objective.

(b) Students should be able to effectively communicate in writing ideas and arguments in both English and Spanish languages with different types of people, particularly senior managers, teammates, subordinates, clients and suppliers. Case studies, projects and the Business Plan are designed to meet this objective.

### **2.2. Students should be able to work effectively in teams and to demonstrate their capacity in managing diversity**

(a) Students should demonstrate their capacity to listen, manage and influence others and facilitate their development.

(b) Students should demonstrate their capacity to perceive commonalities and differences in other's values, styles and perspectives. To this purpose they will intensively work in teams throughout the program.

### **2.3. Students should be able to demonstrate their capacity to lead others and their own professional life**

(a) Each graduate will use team building and high performance management behaviors to lead a team task that results in effective team performance

(b) Students should be able to assess their own strengths and weaknesses and manage risk in the design of their professional careers

## **ADVANCING YOUR KNOWLEDGE**

If you are interested in advancing your knowledge in economics, I suggest some additional readings that cover specific issues that are related to some of the topics covered in class.

To complement the sessions on markets and competition, particularly sessions 4 and 5, the following article provides a non-technical discussion of the effect of the internet. It explains how different developments in the internet have helped us increase our understanding of markets:

Ellison, G., & Ellison, S. F. (2005). Lessons about Markets from the Internet. *Journal of Economic Perspectives*, 139-158.

Regarding the last part of the course, on asymmetric information and incentives, I suggest this survey paper that explains the issues and methods related with testing the effects of human resource practices on performance:

Ichniowski, C., & Shaw, K. (2003). Beyond incentive pay: Insiders' estimates of the value of complementary human resource management practices. *Journal of Economic Perspectives*, 155-180.

And for those who have a strong technical background, with econometric training, this more advanced paper which is a classic on the effect of incentive pay on productivity:

Lazear, E. P. (2000). Performance Pay and Productivity. *The American Economic Review*, 90(5), 1346-1361.