FIN4801: Financial & Economic Analysis Coursework: Economics Report (ER) (30%) “Managing during recession”  Instructions: · This Economics Report (ER) coursework carries 30% weighting in final assessment, is compulsory, and is individual coursework. · This coursework will be 1,000 words. · Title Page, Footnotes, References, Charts, Graphs, Calculations, Tables, Appendices DO NOT count towards the word count. A deviation of 10% in word count on either side is acceptable. · Submit the coursework in A4 size pages electronic file in Word document. Keep the file name as <your student number.doc>.e.g. M00458931.doc or .docx. · Students are advised to keep ‘Digital Receipt’ for their online coursework submission on MyUniHub. · The students are expected to retain their own copy of the coursework for their future reference. · Students are strongly recommended to take the help of CAS in order to write the coursework well · In submitting the Coursework online on MyUniHub, students use Turnitin that measures in %, the similarity of the work with other work. There is no minimum or maximum % of plagiarism acceptable. There is no rule as to what % of plagiarism is allowed. The only way is not to undertake plagiarism. The following are the criteria for marking the coursework: Title page 1% Outline 1% Introduction 3% Thesis Statement 1% Analysis 16% Conclusion 5% Bibliography / References 1% Length requirements 1% Organizing paper 1% Total marks 30% Contents & Structure of the Economics Individual Report: · You are part of the marketing team of product X at firm ABC, which aims to sells domestically and globally. You are preparing a market strategy for X in first half of 2023. · Define properties of product & target markets by using micro and macroeconomic concepts in lectures. · These will be used as an input for your marketing strategy. In particular, address the following issues: a) What type of good or service is X? What is the price & income elasticity of your product? What is the cross-price elasticity with respect to complementary and substitute products? b) What are alternatives regarding production costs (marginal costs like labour, raw materials, energy)? Consider macroeconomic expectations for first half of 2023 & different development scenarios & recession. The company’s expansionary mode is likely to be facing inflation then cost-push inflation is going to be significant so the cost of production may be rising which means labor will become more expensive. Costs will become more expensive so you need to take a call what is the scenario that will be facing your country. #1 Since we're talking about the cost of production this will apply only to the domestic economy because that is where production takes place. In the foreign market there is no production taking place you are only exporting it, so one scenario is your economy facing inflation which will lead to rising costs. Scenario #2 is contracting, that is low inflation or there is recession, costs are lower or moderate. The third situation is whatever is happening in your country, now and in the future, you need to decide based on the reports from IMF and the World Bank. Which of these three scenarios is the most appropriate for your country. c) What is the market structure? What are the possible strategies of your competitors? What will be your strategy with respect to your competitors? d) Which market segments (target market) and different pricing strategies can you imagine? B2B or B2C Pricing strategies can be found in MS Teams in the economics coursework folder. e) Think of developments in demand in different markets domestically and globally. How will demand develop in these markets? What is the effect of the recession on the demand for your product? How could government policies in different markets affect the demand for your product? Various situations will be faced by your product in the domestic market and the global market. Once again you need to know whether the country is in an inflationary situation or not, if it’s performing very well. If that is the case, demand will be expanded. The demand may not be the same in both the markets, it could be expanding in one but having difficulty in the other. So when we look at the regional or the World Economic outlook for both the countries, see what is happening, if there is a recession just broaden this out what is the effect of the economic conditions instead of focusing on recession because COVID was a recession time and not all countries have recovered but some have. Look at what is the effect of the economic conditions prevailing in the country on the demand for your work. Specifically what kind of policies are being followed in your country, specifically monetary policy. Look for markers where they say interest rates are being hyped up and if that is happening then that's a sign that inflation is a danger, or interest rates are being moderated in which case there's fear of a recession likewise for fiscal policy. The COVID recession was a dramatic one and there was a dramatic fall, and when there is a dramatic fall very often the recovery is also equally dramatic. Prepare different scenarios about developments in FX markets & effect on price competitiveness.