

# DIGITAL MANAGEMENT (LB46)

(Lecce - Università degli Studi)

## Teaching INFORMATION AND BUSINESS ECONOMICS

GenCod A005240

**Owner professor** Alessandra CHIRCO

**Teaching in italian** INFORMATION AND BUSINESS ECONOMICS **Course year** 3

**Teaching** INFORMATION AND BUSINESS ECONOMICS **Language** ENGLISH

**SSD code** SECS-P/01

**Curriculum** ECONOMICO

**Reference course** DIGITAL MANAGEMENT

**Course type** Laurea

**Location** Lecce

**Credits** 6.0

**Semester** First Semester

**Teaching hours** Front activity hours: 36.0

**Exam type** Oral

**For enrolled in** 2018/2019

**Assessment** Final grade

**Taught in** 2020/2021

**Course timetable**

<https://easyroom.unisalento.it/Orario>

### BRIEF COURSE DESCRIPTION

The course uses the principles and methods of economics to analyse some key decisions of the owners and managers of firms in different economic and strategic environments. In particular the course focuses on the following major topics: the pricing strategies, the strategies related to the product's characteristics, the firm's organization and the role of uncertainty and information. These issues are discussed with special attention to the firms and markets of the so-called New Economy.

### REQUIREMENTS

The students should be familiar with the basic concepts and methods of microeconomics (consumer theory, theory of production and theory of competitive and non competitive markets at an introductory level). Moreover, they should also be familiar with unconstrained and constrained optimization with one or more variables.

---

## COURSE AIMS

### Expected learning outcomes

Students are expected to learn: a) the key models explaining the firms' pricing behaviour in different market structures, and their application to real world cases; b) the key models explaining the choice of the quality of the products offered in the market, and their applications; c) the theoretical framework for the analysis of horizontal and vertical differentiation, and the way in which it can be applied to the observed market behaviour; d) the way in which economic theory has analysed the strategic role of managers, and e) the way in which firms may tackle the issue of uncertainty and asymmetric information in their relationship with employees and customers. All applications and examples are focussed on firms and markets of the New Economy.

### Knowledge and understanding

The students acquire a sound knowledge of the basic theoretical economic models describing the strategic behaviour of firms with respect to following key decisions: pricing, product differentiation, product quality, internal organization, incentives to employee and customers. At the end of the course they should be able to understand the economic motives inspiring those choices, as well as their consequences within a strategic market environment.

### Applying knowledge and understanding

At the end of the course the students should be able to interpret many aspects of the observed firms' behaviour. They are able to recognize the key features of a market environment and to identify the main challenges that firms' decision makers have to face in that environment. They are aware of the social implications of firms' decisions. As a consequence, they acquire knowledge and competences, which can be applied at various stages of the firms' decision-making processes and at various stages of the performance assessment.

### Making judgements

The students are able to evaluate the appropriateness of different firm's strategies on pricing, product characteristics and internal management, in the perspective of both their profitability and their social implications.

### Communication skills

The students learn how to discuss key aspects of the firms' strategic behaviour with the appropriate economic jargon, both orally and in written documents. They are encouraged to develop the above skills through an active participation to lectures and classes, and through the study of different types of references, which include theoretical papers, reports, specialised newspapers and magazines.

### Learning skills

The study of the theoretical instruments discussed in this course and the analysis of their application to real world cases provide a sound background for more advanced studies in the field, both in a theoretical and in an applied perspective. A syllabus based not only on a reference textbook, but also on original papers and lecture notes should encourage the students to develop an autonomous thinking, thus improving their learning skills.

---

## TEACHING METHODOLOGY

Lectures and classes

---

**ASSESSMENT TYPE** Oral examination.  
The disabled student and/or with DSA who intends to take advantage of an individualised intervention should contact the Disability Integration office of the University of Salento at [paola.martino@unisalento.it](mailto:paola.martino@unisalento.it).

---

**ASSESSMENT SESSIONS** See the Department web page: <http://www.economia.unisalento.it/536>

---

**FULL SYLLABUS**

1. Review of the basic concepts in Non-Cooperative Game Theory
2. Review of basic concepts in Microeconomic Theory: Technology, Cost and Demand
3. Monopoly. Price discrimination, Durable goods monopolies
4. Markets with Homogeneous Products: Cournot and Bertrand Competition
5. Markets with Differentiated Products: Location Models, Vertical Differentiation, Spatial Price Discrimination
6. Quality and Durability
7. The Market for Lemons, Quality-Signalling and Warranties
8. The Principal-Agent Problem
9. The Compensation for Managers

The syllabus is the same for attending and non-attending students.

---

**REFERENCE TEXT BOOKS** Shy O., Industrial Organization, Theory and Applications, MIT Press  
Additional material and lecture notes will be distributed to students.