

SAULT COLLEGE OF APPLIED ARTS & TECHNOLOGY

SAULT STE. MARIE, ONTARIO

COURSE OUTLINE

COURSE TITLE: ECONOMICS AND MARKETING

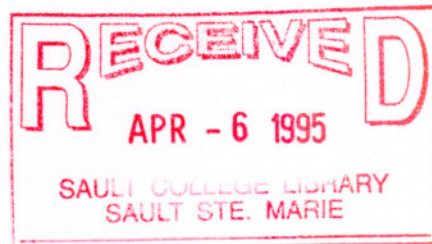
CODE NO.: ECN107-4 SEMESTER: 4 & 6

PROGRAM: PULP & PAPER ENGINEERING TECHNOLOGY

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DATE: MARCH 1995 PREVIOUS OUTLINE DATED: MAY 1991

APPROVED: *MB* DEAN March 30, 1995 DATE



ECONOMICS AND MARKETING

ECN107-4

COURSE NAME

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TOTAL CREDIT HOURS: 64

PREREQUISITE(S): None

I. PHILOSOPHY/GOALS:

This course provides the student an overview of macro and micro economics as they effect the pulp and paper industry. The marketing system and basic marketing as is practised by the individual firm are discussed. These economic and marketing concepts are used to study the local, national and international factors which regulate the economic activities of Canadian pulp and paper firms.

II. STUDENT PERFORMANCE OBJECTIVES:

Upon successful completion of this course the student will be able to:

1. Understand the concepts of macro economics as they relate to the Canadian scene.
2. Understand the concepts of micro economics as they relate specifically to firms in the pulp and paper industry.
3. Recognize perfect competition, monopolies and combinations of both, and decide if they depict the Canadian and world marketing system for pulp and paper.
4. Understand basic marketing principles as they apply to any product or service, and as they apply to any organization, specifically relating to the pulp and paper industry.
5. Complete a comprehensive term project which will relate economics and marketing to present conditions in the pulp and paper industry.

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III. TOPICS TO BE COVERED:

- 1) Macro Economics Overview
- 2) Micro Economics Overview
- 3) The Marketing System
- 4) Government and the Economy
- 5) Lost Analysis
- 6) Capital Budgeting
- 7) Basic Marketing (The Individual Firm)
- 8) Factors Affecting the Economics of the Canadian Pulp and Paper

IV. LEARNING ACTIVITIES

HOURS

1.0 MACRO ECONOMICS OVERVIEW

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Recognize the costs of unemployment and inflation.
Understand supply and demand analysis.
Recognize the costs of lagging productivity.
Understand income and spending factors.
Understand the concept of fiscal policy and supply side economics.
Understand the economic concepts of money and banking.
Understand monetary policy and the central banking in Canada.
Discuss deficits and the national debt.

2.0 MICRO ECONOMICS OVERVIEW

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Recognize consumer choice and individual demand curves.
Understand market demand and elasticity.
Understand production costs: the producers side of the market.
and the law of diminishing returns.
Understand price decisions and marginal analysis.

3.0 THE MARKETING SYSTEM

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Recognize the concept of perfect competition.
Understand the price system and "laissez faire".
Recognize the effects of monopolies.
Compare competition and monopolies.

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<u>IV.</u>	<u>LEARNING ACTIVITIES (continued)</u>	<u>HOURS</u>
4.0	GOVERNMENT AND THE ECONOMY Understand regulations in the industry limit marketing power. Understand competition policy. Understand tariff policy. Understand the effects of the tax system. Understand the effects of environment protection and resource conservation can limit marketing power.	5
5.0	COST ANALYSIS List fixed and variable costs. Recognize indirect costs. Understand depreciation costs. Do break even analysis (cost/volume/profit). Understand administrative and selling costs.	5
6.0	CAPITAL BUDGETING Calculate payback period, rate of return on investment and net present value. Decide whether to replace plant assets. Decide whether it is profitable to accept additional business. Decide to process further or sell as is. Decide whether to reprocess/sell/scrap product below specified standards.	5
7.0	BASIC MARKETING (THE INDIVIDUAL FIRM) Recognize marketing strategy consists of a target market(s) and marketing mix. Discuss product as it relates to pulp and paper marketing. Discuss price as it relates to pulp and paper marketing. Discuss promotion (sales) as it relates to pulp and paper marketing. Discuss distribution method as it relates to pulp and paper marketing. Recognize North American and international target markets. Understand market segmentation and its necessity.	5

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IV. LEARNING ACTIVITIES (continued)

HOURS

8.0 FACTORS AFFECTING THE ECONOMICS OF THE CANADIAN PULP AND PAPER INDUSTRY

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Discuss the nature of the Canadian Pulp and Paper industry in economic and marketing terms.
 See the effects of foreign competition.
 Discuss the demand for pulp and paper products from our Canadian mills.
 Project future supplies in Ontario, Canada and internationally.
 Discuss the changes in types of raw materials and how they affect the future of Canadian pulp and paper.
 Discuss the environmental pressures brought to bear on the industry and the economic consequences.

V. METHOD OF EVALUATION:

Assignments and Projects	30
Regular tests (2)	30
Final Exam	40
	<u>100%</u>

Tests not written will be assigned the mark of zero. There will be no opportunity for re-writes. Term project is to be handed in August 8th. There will be a 10% deduction for each day late, up to 5 days. After that time the project is considered incomplete.

A+ 90-100: A 80-89: B 70-79: C 60-69: I = Incomplete

VI. REQUIRED STUDENT RESOURCES:

TEXT: No required text

VII. ADDITIONAL RESOURCE MATERIALS AVAILKABLE IN THE COLLEGE LIBRARY:

Economics: Principles and Policy, W. J. Baumol, A.S. Blinder, W.M. Scarth, Harcourt, Brace, Johanovich

Basic Marketing: A Managing Approach, McCarthy, Derome

Basic Marketing, E.J. McCarthy, S.J. Shapiro, Richard D. Irwin

Economics of the Firm: Theory and Practice, A.A. Thompson Jr., Prentice-Hall Inc.

VIII. SPECIAL NOTES:

Students with special needs (e.g. physical limitations, visual impairments, hearing impairments, learning disabilities) are encouraged to discuss required accommodations confidentially with the instructor.

Your instructor reserves the right to modify the course as he/she deems necessary to meet the needs of students.