

MBA 502 Final Project Part I Guidelines and Rubric

Overview

There are two parts to the final project in this course. For your first project, you will produce an individual **microeconomic analysis paper** related to a publicly traded company that you will choose from a given list. This paper will equip you with the knowledge and skills required to analyze the effects of microeconomic factors on a company's supply and demand, product market, production and costs, competitive environment, business strategy, and financial performance.

*(For your second project, you will produce an individual **macroeconomic analysis paper** related to the publicly traded company chosen for the first project. The focus of the macroeconomic analysis will be on the United States. You will come away with the knowledge and skills necessary to evaluate how macroeconomic conditions impact a product's or service's supply and demand as well as a company's financial performance. For details of that project, please review the Final Project Part II Guidelines and Rubric document.)*

In today's business world, it is vital for companies to carefully assess their markets and competitive environment and operate efficiently. A critical skill for business managers is the ability to effectively assess the effects of microeconomic factors on the supply and demand of a company's products and services as well as on a company's business strategy and financial performance.

For this **first** project, you will produce a **microeconomic analysis** related to a publicly traded company chosen from the following list:

- [Apple](#)
- [Exxon Mobil](#)
- [Johnson & Johnson](#)
- [Procter & Gamble](#)
- [Wal-Mart](#)

Alternatively, you may select a company of your choosing with instructor approval. Instructor approval should be secured through university email. To begin your analysis, you will choose a type of product or service offered by your chosen company, ensuring that this product or service relates to one specific sector in which the company operates (e.g., Apple operates in the tablet industry *and* the smartphone industry). Next, you will apply microeconomic concepts as well as gather and analyze information related to your chosen company's supply, demand, market equilibrium, production, costs, and the market structure of the specific industry selected. Finally, you will assess the effects of the industry's market structure on the company's business strategy and financial performance.

The project is divided into **two milestones**, which will be submitted at various points throughout the course to scaffold learning and ensure quality final submissions. These milestones will be submitted in **Modules Three** and **Five**. Final Project Part I will be submitted in **Module Seven**.

This project addresses the following course outcomes:

- Determine the extent to which price and nonprice factors affect the supply and demand of a company's products or services by applying elasticity concepts
- Predict the effect of changes in supply and demand on the market equilibrium for informing business decisions
- Analyze the factors that affect the combination of inputs in the production function of products or services for informing production decisions
- Assess how the type of market structure impacts the business strategies and financial performance of companies for informing business decisions

Part I Prompt

Your individual microeconomic analysis paper should respond to the following prompt: Assess how microeconomic variables impact (1) your chosen product's or service's supply, demand, market equilibrium, production, and cost; (2) the market structure of the industry in which your chosen company operates; and (3) your company's business strategy and financial performance.

Specifically, the following **critical elements** must be addressed:

- I. **Overview:** Provide an overview consisting of a brief description of the chosen company and your chosen product or service, including the industry the product or service falls under. You should include key details about the company, including its main products and/or services, number of employees, and annual sales.
- II. **Supply, Demand, and Market Equilibrium**
 - a) Determine the extent to which the supply and demand of your chosen product or service are sensitive to changes in price by applying the concept of **elasticity**. In other words, what is the price elasticity of supply or demand for your product or service?
 - b) Select two **nonprice factors** that impact the **demand** of your chosen product or service. Justify your selections.
 - c) Select two **nonprice factors** that impact the **supply** of your chosen product or service. Justify your selections.
 - d) Define the **industry** related to your chosen product or service and the **market equilibrium** associated with the product or service.
 - e) **Predict** the effect of changes in supply and demand on the market equilibrium.
 - f) Based on the predicted changes, what **decisions** related to supply and demand for your product or service would you make?
- III. **Production and Costs**
 - a) Describe three key **inputs** (or factors of production) **and** fixed and variable **costs** involved in the production of your chosen product or service. One example of an input is machines, which are fixed costs. Keep in mind that all inputs will either fall under fixed or variable cost.
 - b) **Analyze the factors** that impact your choice of inputs to produce the chosen product or service. For example, how would a change in the price of raw materials impact the combination of inputs?
 - c) Based on this analysis, what production **decisions** would you make? Be sure to support your decisions with examples or data.
- IV. **Market Structure**
 - a) **Determine** whether the market structure of the industry in which your chosen company operates is perfectly competitive, monopolistically competitive, oligopolistic, or monopolistic. Justify your response.

- b) Assess how the type of market structure impacts your chosen company's **financial performance** as measured by performance variables over the past three years. Support your response with data and graphs illustrating two performance variables of your choosing (e.g., sales, net income, stock price) over time.
- c) How would **possible changes** in the industry's market structure impact your chosen company's business strategy in the future? Keep your company's current business strategy in mind in your response.

Milestones

Part I Milestone One: Supply, Demand, and Market Equilibrium

In **Module Three**, you will submit the supply, demand, and market equilibrium component of your microeconomic analysis paper. This milestone should be a 2–3-page paper structured as follows: First, it describes the price elasticity of supply or demand for your product or service. Second, it explains how two nonprice factors impact the demand of your chosen product or service. Third, it explains how two nonprice factors impact the supply of your chosen product or service. Fourth, it defines the industry and the market equilibrium associated with the product or service. Fifth, it predicts the effect of changes in supply and demand on the market equilibrium. Finally, it describes the decisions related to supply and demand for the product or service that you would make based on the predicted changes in supply and demand on the market equilibrium. **This milestone will be graded with the Part I Milestone One Rubric.**

Part I Milestone Two: Production and Costs

In **Module Five**, you will submit the production and costs component of your microeconomic analysis paper. This milestone should be a 3–4-page paper structured as follows: First, it describes three key inputs (or factors of production) and fixed and variable costs involved in the production of your chosen product or service. Second, it analyzes the factors that impact your choice of inputs to produce the chosen product or service. Third, it examines the production decisions that you would make based on the analysis of the factors impacting the choice of inputs to produce the chosen product or service. **This milestone will be graded with the Part I Milestone Two Rubric.**

Part I Final Submission: Microeconomic Analysis Paper

In **Module Seven**, you will submit your microeconomic analysis paper. It should be a complete, polished artifact containing **all** of the critical elements of Final Project Part I, including Sections I and IV, which were not covered in the milestones. The final submission should first determine whether the market structure of the industry in which your chosen company operates is perfectly competitive, monopolistically competitive, oligopolistic, or monopolistic. Justify your response. Second, it should assess how the type of market structure impacts your chosen company's financial performance as measured by performance variables over the past three years. Support your response with data and graphs illustrating two performance variables of your choosing (e.g., sales, net income, stock price) over time. Finally, your paper should answer the following question: How would possible changes in the industry's market structure impact your chosen company's business strategy in the future? Keep your company's current business strategy in mind in your response. The final microanalysis paper should reflect the incorporation of feedback gained thus far in the course. **This submission will be graded with the Final Project Part I Rubric.**

Final Project Part I Rubric

Guidelines for Submission: Your microeconomic analysis paper should adhere to the following formatting requirements: 5–6 pages, double-spaced, using 12-point Times New Roman font and the most current version of APA formatting.

Instructor Feedback: This activity uses an integrated rubric in Blackboard. Students can view instructor feedback in the Grade Center. For more information, review [these instructions](#).

Critical Elements	Exemplary (100%)	Proficient (90%)	Needs Improvement (70%)	Not Evident (0%)	Value
Overview	Meets “Proficient” criteria and description expertly balances key detail with brevity	Briefly describes the chosen company, product or service, and associated industry, including key details	Describes the chosen company, product or service, and associated industry but has gaps in accuracy or key details or is wordy	Does not describe the chosen company, product or service, and associated industry	5
Supply, Demand, and Market Equilibrium: Elasticity	Meets “Proficient” criteria and analysis shows keen insight into the factors impacting supply and demand	Determines extent to which supply and demand of chosen product or service are sensitive to changes in price by applying the concept of elasticity	Determines extent to which supply and demand of chosen product or service are sensitive to changes in price by applying the concept of elasticity but with gaps in accuracy or detail	Does not determine extent to which supply and demand of chosen product or service are sensitive to changes in price by applying the concept of elasticity	7.5
Supply, Demand, and Market Equilibrium: Nonprice Factors for Demand	Meets “Proficient” criteria and shows keen insight into how nonprice factors impact the demand of products or services	Selects and logically justifies two nonprice factors impacting the demand of chosen product or service	Selects two nonprice factors impacting the demand of chosen product or service, justifying selections but selection(s) are inaccurate or justification is illogical	Does not select two nonprice factors impacting the demand of chosen product or service and justify selections	7.5
Supply, Demand, and Market Equilibrium: Nonprice Factors for Supply	Meets “Proficient” criteria and shows keen insight into how nonprice factors impact the supply of products or services	Selects and logically justifies two nonprice factors impacting the supply of chosen product or service	Selects two nonprice factors impacting the supply of chosen product or service, justifying selections but selection(s) are inaccurate or justification is illogical	Does not select two nonprice factors impacting the supply of chosen product or service and justify selections	7.5
Supply, Demand, and Market Equilibrium: Industry and Market Equilibrium	Meets “Proficient” criteria and details demonstrate a nuanced understanding of the characteristics of the industry and market equilibrium	Accurately defines the industry and the market equilibrium associated with the product or service	Defines the industry and the market equilibrium associated with the product or service but with gaps in accuracy	Does not define the industry and the market equilibrium associated with the product or service	7.5

Supply, Demand, and Market Equilibrium: Predict	Meets “Proficient” criteria and demonstrates a nuanced understanding of the effects of changes in supply and demand on the market equilibrium	Predicts effect of changes in supply and demand on the market equilibrium	Predicts effect of changes in supply and demand on the market equilibrium but with gaps in accuracy or necessary detail	Does not predict effect of changes in supply and demand on the market equilibrium	7.5
Supply, Demand, and Market Equilibrium: Decisions	Meets “Proficient” criteria and decisions show keen insight into the implications of changes in supply and demand for business decisions	Proposes decisions related to supply and demand for product or service based on predicted changes	Proposes decisions related to supply and demand for product or service based on predicted changes but with gaps in logic or detail	Does not propose decisions related to supply and demand for product or service based on predicted changes	7.5
Production and Costs: Inputs and Costs	Meets “Proficient” criteria and demonstrates a nuanced understanding of the inputs and types of costs involved in the production of products or services	Describes three key inputs and fixed and variable costs involved in the production of chosen product or service	Describes three key inputs and fixed and variable costs involved in the production of chosen product or service but with gaps in accuracy or detail	Does not describe three key inputs and fixed and variable costs involved in the production of chosen product or service	7.5
Production and Costs: Analyze the Factors	Meets “Proficient” criteria and demonstrates a nuanced understanding of factors that impact inputs in the production of products or services	Analyzes factors that impact the choice of inputs to produce chosen product or service	Analyzes factors that impact the choice of inputs to produce chosen product or service but with gaps in accuracy or detail	Does not analyze factors that impact the choice of inputs to produce chosen product or service	7.5
Production and Costs: Decisions	Meets “Proficient” criteria and decisions show keen insight into implications of production analysis for business decisions	Proposes appropriate production decisions based on analysis, supporting response with examples or data	Proposes production decisions based on analysis, supporting response with examples or data but decisions are not appropriate based on analysis or lack detail or support	Does not propose production decisions based on analysis	7.5
Market Structure: Determine	Meets “Proficient” criteria and demonstrates a nuanced understanding of the characteristics of market structures	Determines the market structure of the chosen company’s industry and logically justifies response	Determines the market structure of the chosen company’s industry and justifies response but determination is inaccurate or justification is illogical	Does not determine the market structure of the chosen company’s industry and justify response	7.5

Market Structure: Financial Performance	Meets “Proficient” criteria and shows keen insight into the effects of the market structure on the company’s financial performance	Logically assesses how type of market structure impacts chosen company’s financial performance, supported by data and graphs illustrating performance variables over time	Assesses how type of market structure impacts chosen company’s financial performance, supported by data and graphs illustrating performance variables over time but assessment has gaps in accuracy, detail, or support	Does not assess how type of market structure impacts chosen company’s financial performance, supported by data and graphs illustrating performance variables over time	7.5
Market Structure: Possible Changes	Meets “Proficient” criteria and provides keen insight into how changes in industry’s market structure impact business strategies	Logically projects how possible changes in industry’s market structure would impact company’s business strategy	Projects how possible changes in industry’s market structure would impact company’s business strategy but with gaps in logic or detail	Does not project how possible changes in industry’s market structure would impact company’s business strategy	7.5
Articulation of Response	Submission is free of errors related to citations, grammar, spelling, syntax, and organization and is presented in a professional and easy-to-read format	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	5
Total					100%