***Topic 1***

You are asked to look around you and observe the pricing strategies businesses use to maximise their profits. This assignment will be a case study. Select a case\* and describe its pricing strategy in detail. Analyse the rationale behind it using relevant economic theories. In your analysis, you are advised to include any relevant background information that may help the reader understand its pricing strategy. You should also discuss implications of this pricing strategy in terms of consumer and producer welfare, allocative efficiency and other relevant economic concepts.

*\* Note: You can choose more than one case. If you analyse two or more cases, make sure they are sufficiently different. There is not much point to present several similar cases and repeat the same analyses.*

**Guide to Topic 1**

It is important to note that you should *apply* economic principles to your case(s) to demonstrate your thorough understanding of them. It is how well you understand and apply economic concepts and theories that will determine your grade in this assignment.

There are lots of places to get you started. The catalogues in your mailbox, the price list outside a business (e.g. the entrance of a car park, a hair-dresser), price discount or bonuses (e.g. a free printer) are just a few examples. Your marker will certainly be impressed if you can come up with novel cases.

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| **Criteria** | **High Distinction** | **Distinction** | **Credit** | **Pass** | **Fail** |
| **Identifying and critical analysis of key elements of the topic.** | Systematic and thorough discussion of all key elements.  | Most key elements are identified and well discussed | Some key elements identified and sufficiently discussed. | Very limited discussion of key elements. | Key elements ignored or very superficially dealt with. |
| **Relating economic theory to practical application.** | Outstanding application of economic theory, with evidence of wide reading. | Good links between theory and practice, with evidence of wide reading. | Good application of theory, but with limited reading. | Theory and practice loosely and unclearly connected. | Unable to demonstrate any significant understanding of economic theory or application. |
| **Use of quantitative and / or qualitative data in support of the analysis** | Excellent use of data in support of analysis; very high standard of diagrammatic and conceptual analysis. | Good presentation and use of empirical data to support arguments. | Good use of data; but data not well presented.  | Very limited use of data; data poorly presented. | Failure to provide appropriate and adequate data.  |
| **Communication and referencing** | Writes fluently and clearly uses language and format appropriate to the essay genre; high standard and consistent referencing.  | Language is generally fluent and clear; format mostly appropriate to the essay genre; high standard and consistent referencing. | Writes fluently with occasional grammatical errors; consistent referencing. |  Meanings apparent, but not clearly and fluently expressed; some referencing errors and/or omissions. | Meanings confusing with frequent grammatical errors; format inappropriate to the essay genre; no or inconsistent referencing. |