

ASSIGNMENT 2: WRITTEN ASSIGNMENT**TOPIC:**

The background for this assignment is to choose a firm in Australia and to use both theory and data in order to identify the market structure under which it operates (part 1). In part 2, you are asked to consider the effect of EITHER one economic condition that changed due to the Covid pandemic OR a government policy that was introduced at the time and how it would have influenced outcomes for your firm.

1. For the firm you have chosen, define the market and identify the key competitors. Analyse the output market characteristics of this firm (e.g. perfect competition, monopoly, oligopoly etc.). Justify your answer using real-time market data (e.g. market share, profits, sales etc.) for this industry in recent years and by linking to the theory and materials covered in the course. Your answer should include the use of the Herfindahl index and market concentration ratio for your justification.

2. The 2020 Covid pandemic has changed much in world markets and seen different types of government response. For the firm you have chosen, provide analysis of the likely effects of one aspect (choose one specific economic issue) of the pandemic **OR** one policy response made by the Australian government that directly affects your firm. Your answer should discuss aspects such as entry and exit of firms and the implications for the firm's position in the market, and on profitability.

Both sections are of equal weight

Make sure to provide a rationale and justification for any of the assertions you make. You are expected to draw upon the theoretical concepts contained in the course in your discussion of such aspects as market structure, entry and exit, and rivalry between competitors. You should use appropriate diagrams to illustrate your answer.

RESEARCH ASSIGNMENT FORMAT:

- Your task is to write a short research paper on the above topic. Word limit: **1500 words including references**.
- Please note that this is an **individual** research assignment.
- This is a research project. It should take the appearance of an academic paper and be structured as follows:
 - *Introduction*
Mention the main objectives of this research and the reasons you chose this firm. You may cite any relevant literature to explain the importance of your research.
 - *Basic analysis of the firm characteristics*
What kind of a market is this firm competing in - perfect competition, monopoly, oligopoly etc.? Justify your answer using real-time market data (e.g. market share, profits, sales etc.) for this industry in recent years. Which firms are the main competitors? How do the competitors influence the pricing decision of this firm?

- *Implications of Covid Pandemic OR Government Response*
For the issue/policy you have chosen, discuss what the likely effects will be for your firm – in terms of market conditions (eg entry and exit, profitability)
- *Conclusions (may be in one short paragraph)*
Summarise your findings and future policy implications for this firm and the industry overall.
- *References*
Do not forget to refer to the data sources and any other references you have used to write this short paper.

You will be graded based on your writing and communication abilities to a broader audience. The assignment must be clearly written; any diagrams, charts, tables etc. must be clearly labelled and explained in your text and any equations defined and explained. The quality of your argument, the clarity with which you explain and illustrate the relevant concepts and the way in which you relate theory to the available empirical evidence is very important here. Detailed feedback will be provided upon grading.

Weighting: 25% of your total grade

Due: by 11.59PM, 9 October 2022 via Learnonline website. Submit in word format (pdf and other formats will not be accepted). Penalties for late submission = 10% per day.

Good Luck!

John