

Module Layout

ERM501 Organization and Management - The Environment of Risk Management

Faculty	FEAM FSS	FACULTY OF ECONOMICS AND MANAGEMENT & FACULTY OF SOCIAL SCIENCES	
Programme of Study	ERM	MASTER IN ENTERPRISE RISK MANAGEMENT	
Module	ERM501	Organization and Management - The Environment of Risk Management	
Level	Undergraduate	Graduate	
		Master	Doctoral
		√ (Διαπανεπιστημιακό)	
Language of Instruction	ENGLISH		
Teaching Method	DISTANCE LEARNING		
Module Type	Mandatory	Optional	
	√		
Number of Cohort Tutorial Meetings	Total	Physical Presence	Web conferences
	10	0	10
Number of Exercises	-		
Number of Assignments	4		
Final Grade Calculation	Exercises	Assignments	Final Exams
	-	30 %	70%
Number of European Credit Transfer System (ECTS)	20		

Module Description

The first part of this module is concerned with the application of economic principles and methodologies to key management decisions under risky environments within both multinational organizations and small or medium enterprises. It provides principles to foster the goals of the organization, as well as a better understanding of the external business environment in which an organization operates. In this module, future managers will learn how to increase company's profitability by applying economic analysis to a wide array of business problems. The course will develop students' capacity to analyze the economic environments in which business entities operate and understand how managerial decisions can vary under different constraints that each economic environment places on a manager's pursuit of his/her goals. Its focus will be on analyzing the functioning of markets, the economic behavior of firms and other economic agents under various market structures, and the economic and social implications of the outcomes.

Furthermore the module it is designed to introduce students to the principles of Management. The overall aim

of the second part of the module is to present the key theoretical and practical principles of management and to explain how these can lead to competitive advantage. It also covers aspects of leadership and its impact on organizational life

The last part of the module covers aspects of human resource management and its links with organizational performance. It explains at a critical level how employees can be developed to fulfil their roles. It also discusses how organizational practices lead to a common culture and covers aspects of the management of change.

Module Prerequisites

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Final Grade Composition

Assessment Method	Percentage on Overall Grade	Workload	
		Hours	ECTS
Weekly Study (32 weeks *15 hours of study)	0 %	~480~512	16
Assignment 1	7.5 %	30	1
Assignment 2	7.5 %	30	1
Assignment 3	7.5 %	30	1
Assignment 4	7.5 %	30	1
Final Exam	70.0 %	3	0
Total	100%	~600~635	20

Grading Policies and Evaluation Methods

- Students are evaluated with 10, if they collect 100% of the possible grade. Students are evaluated with 9, if they collect 90% of the possible grade, meaning, $90\% * 10 = 9$, etc.
- Students have to submit four (4) written assignments in each module. Students have the right not to submit one written assignment. In order for a student to be able to participate in the final examination he/she should have gathered a total of at least 20 points from all of his/her submitted written assignments
- The average is calculated as a simple average of the 4 written assignments. The average grade of the written assignments is worth 30% of the final grade and is valid only for students who have successfully passed the final exam. The rest 70% of the total module grade is obtained from the final exam paper.
- The criteria for written assignments evaluation will be clear in each one of the four assignments that are due during the academic year. Each one of the written assignment will be based on the corresponding material according to the academic schedule.

Main Competencies that needs to be developed

After completing this module students will be able to do the following:

- Identify demand and supply functions and distinguish between a change in demand or supply and a change in quantity demanded or supplied.
- Measure gains from market exchange using consumer and producer surplus and social welfare.
- Find short-run profit maximizing output, derive firm and industry supply curves, and identify the amount of producer surplus earned.
- Find the profit maximizing price and output under monopolistic competition in both the short- and long-run period.
- Relate management concepts and theories to events in today's turbulent environment
- Find innovative solutions to the problems that plague today's organizations
- Evaluate the impact of compensation practices on individual behavior and organizational performance
- Develop appropriate design systems to accompany implementation for the success of a human resource processes

Intended Learning Outcomes

After course completion, students will be able to:

Knowledge

- Define planning and the steps in the planning process
- Define and discuss planning principles
- Define the key processes of control.

Comprehension

- Explain why market equilibrium occurs at the price for which quantity demanded equals quantity supplied.
- Explain the concept of utility and the basic assumptions underlying consumer preferences.
- Explain several factors that affect price elasticity of demand
- Explain how different forces, like scale, scope and learning economies affect long-run costs
- Explain why barriers-to-entry are necessary for market power in the long-run and discuss major types of entry barriers.
- Understand and explain why cooperation can sometimes be achieved when decisions are repeated over time and discuss four types of facilitating practices for reaching cooperative outcomes.
- Understand the key principles of planning and its impact on performance
- Understand the main aspects of organising and its relationship with planning
- Understand at a critical level the links between theory and practice of leadership.
- Understand the role of the human factor as a key building within an organization.
- Understand the links between HRM and organizational performance;

- Understand of why employees display different attitudes of behavior in organisations.
- Understand how individual and group level processes interact.
- Understand the link of major processes, such as leadership, motivation and trust..
- Understand the importance of planning and preparation for the success of change management.
- Identify economic rent in the short- and long-run period and producer surplus.
- Identify the aspects of better decision making.
- Identify the key steps of controlling
- Identify the different leadership characteristics that apply in different contexts.

Application

- Make use of indifference curves to derive a demand curve for an individual consumer and construct a market demand curve
- Make use of empirically estimated or forecasted values of market price, average variable cost, and marginal cost to calculate firm's profit maximizing output and long- or short-run profits.
- Relate marginal revenue to total revenue and demand elasticity and write the marginal revenue equation for linear inverse demand functions.
- Construct firm's expansion path and show how it relates to the firm's long-run cost structure.
- Apply optimization theory to find optimal input combinations

Analysis

- Examine the structure of short-run production based on the relation among total, average and marginal products.
- List the steps in the strategic management process
- List the steps in the decision making process
- Relate short-run costs to the production function and the basic features of firms' technology.
- Analyze a typical production isoquant and discuss it's properties
- Compare and contrast different approaches to controlling

Evaluation

- Evaluate the different leadership styles.

Bibliography

The main readings for this course is:

1. Maurice, S.C and C.R. Thomas, *Managerial Economics*, Irwin/McGraw Hill (10th edition) 2010.
2. Richard L. Daft, *Management*, 10th Edition, Publisher: South-Western College, 2011
3. Raymond Noe, John Hollenbeck, Barry Gerhart, Patrick Wright, *Fundamentals of Human Resource Management*, McGraw-Hill, 2008

However, if you wish to read further, then we can recommend the following books:

1. Armstrong Michael, *Armstrong's Handbook of Human Resource Management Practice*, 12th Edition, Kogan Page, May 2012
2. Baye, M. *Study Guide for use with Managerial Economics and Business Strategy* (7th Edition). Boston: McGraw-Hill Irwin, 2010.
3. Besanko, D. and R.R. Braeutigam. *Microeconomics* (5th Edition). New York: John Wiley and Sons, 2013.
4. Cowell, F. *Microeconomics: Principles and Analysis*. Oxford: Oxford University Press, 2006.
5. Donald N. Stengel, *Managerial Economics*, Business Expert Press, June, 2011
6. Gravelle, H. and R. Rees. *Microeconomics* (3rd Edition). Essex: Financial Times/Prentice Hall, 2004.
7. Pindyck, R. and D. Rubinfeld. *Microeconomics* (8th Edition). Oxford: Pearson, 2012.

8. Robbins Stephen and Judge Timothy, *Essentials of Organizational Behavior*, 11th Edition, Publisher: Prentice Hall, 2012
9. Schermerhorn, JR., *Exploring Management*, Third Edition, John Wiley & Sons, October 2011
10. Silberberg, E. and W. Suen. *The Structure of Economics: A Mathematical Analysis* (3rd Edition). Boston: McGraw Hill Irwin, 2001.
11. Varian, H. and T.C. Bergstrom. *Workouts in Intermediate Microeconomics: For Intermediate Microeconomics and Intermediate Microeconomics with Calculus*. (9th Edition). New York: W.W. Norton and Company, 2014.
12. Varian, H. *Intermediate Microeconomics: A Modern Approach* (9th Edition). New York: W.W. Norton and Company, 2014.

Additional reading materials will be introduced through the e-class. These additional readings are important supplementary learning aids and the students are expected to take these reading materials seriously.

STUDY SCHEDULE

Week	Learning Outcomes	Educational Activities	Estimated student work time (hours)
1	<ul style="list-style-type: none"> Identify demand and supply functions and distinguish between a change in demand or supply and a change in quantity demanded or supplied. Explain why market equilibrium occurs at the price for which quantity demanded equals quantity supplied. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers Working on review questions relevant to the taught material Additional bibliography 1st Group Advisory Meeting 	<ul style="list-style-type: none"> ≈15 hrs study time
2	<ul style="list-style-type: none"> Measure gains from market exchange using consumer and producer surplus and social welfare. 		<ul style="list-style-type: none"> ≈15 hrs study time
3	<ul style="list-style-type: none"> Define price elasticity of the demand function and use it to predict changes in quantity demanded. Define price elasticity of the supply function and use it to predict changes in quantity supplied. 		<ul style="list-style-type: none"> ≈13 hrs study time ≈2hrs 1st Group Advisory Meeting
4	<ul style="list-style-type: none"> Explain the concept of utility and the basic assumptions underlying consumer preferences. Define the concept of indifference curve and explain the properties of indifference maps and budget constraints. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers Working on review questions relevant to the taught material Additional bibliography 1st Written Assignment (WA) is announced 1st Teleconference 	<ul style="list-style-type: none"> ≈15 hrs study time
5	<ul style="list-style-type: none"> Derive and interpret the equilibrium conditions for an individual consumer maximizing utility subject to a budget constraint. Use indifference curves to derive a demand curve for an individual consumer and construct a market demand curve 		<ul style="list-style-type: none"> ≈13 hrs study time ≈2hrs 1st Teleconference

6	<ul style="list-style-type: none"> Define price elasticity of demand and use it to predict changes in quantity demanded and changes in price of a good or service. List and explain several factors that affect price elasticity of demand. Relate marginal revenue to total revenue and demand elasticity and write the marginal revenue equation for linear inverse demand functions. Define and compute the income elasticity of demand and the cross-price elasticity of demand. 		<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
7	<ul style="list-style-type: none"> Explain and interpret the general concepts of production technology and cost analysis. Examine the structure of short-run production based on the relation among total, average and marginal products. Relate short-run costs to the production function and the basic features of firms' technology. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers Working on review questions relevant to the taught material Additional bibliography 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
8	<ul style="list-style-type: none"> Analyze a typical production isoquant and discuss its properties Apply optimization theory to find optimal input combinations 	<ul style="list-style-type: none"> Self-assessment exercises (~2hrs) <i>Application of knowledge assimilated for material covered in weeks 1-5</i> 	<ul style="list-style-type: none"> ≈15 hrs study time
9	<ul style="list-style-type: none"> Construct firm's expansion path and show how it relates to the firm's long-run cost structure. Explain how different forces, like scale, scope and learning economies affect long-run costs. 	<ul style="list-style-type: none"> 1st WA is due 2nd Group Advisory Meeting 	<ul style="list-style-type: none"> ≈13 hrs study time ≈2hrs 2nd Group Advisory Meeting
10	<ul style="list-style-type: none"> Discuss the basic characteristics of perfectly competitive markets. Explain why the demand curve facing a perfectly competitive firm is perfectly elastic and serves as the firm's marginal revenue curve. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers 	<ul style="list-style-type: none"> ≈ 15 hrs study time

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11	<ul style="list-style-type: none"> Find short-run profit maximizing output, derive firm and industry supply curves, and identify the amount of producer surplus earned. Explain the characteristics of long-run competitive equilibrium for a firm, derive long-run industry supply curves at various cost conditions Identify economic rent in the short- and long-run period and producer surplus. 	<ul style="list-style-type: none"> Working on review questions relevant to the taught material Additional bibliography Self-assessment exercises 2nd WA is announced 2nd Teleconference 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
12	<ul style="list-style-type: none"> Employ empirically estimated or forecasted values of market price, average variable cost, and marginal cost to calculate firm's profit maximizing output and long- or short-run profits. 		<ul style="list-style-type: none"> ≈13 hrs study time ≈2hrs 2nd Teleconference ≈10 hrs study time for Written Assignment
13	CHRISTMAS HOLIDAYS		
14			
15	<ul style="list-style-type: none"> Define market power and describe how own-price elasticity, cross-price elasticity, and Lerner index are used to measure market power. Explain why barriers-to-entry are necessary for market power in the long-run and discuss major types of entry barriers. Find the profit maximizing output and price for a monopolist together with input usage. Find the profit maximizing price and output under monopolistic competition in both the short- and long-run period. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers Working on review questions relevant to the taught material Additional bibliography Self-assessment exercises <i>Application of knowledge assimilated for weeks #6 through #12</i> 2nd WA is due 	<ul style="list-style-type: none"> ≈13 hrs study time ≈10 hrs study time for Written Assignment ≈2hrs Self-assessment exercises

		<ul style="list-style-type: none"> • 3rd Group Advisory Meeting 	
16	<ul style="list-style-type: none"> • Employ concepts of dominant strategies, dominated strategies, Nash equilibrium, and best-response curves to make simultaneous strategic decisions. • Employ the roll-back method to make sequential decisions, determine existence of first and second mover advantage, and employ credible commitments to gain first or second mover advantage. • Understand and explain why cooperation can sometimes be achieved when decisions are repeated over time and discuss four types of facilitating practices for reaching cooperative outcomes. • Explain why it is difficult, but not impossible, to create strategic barriers-to-entry by either limit pricing or capacity expansion. 		<ul style="list-style-type: none"> • ≈15 hrs study time • ≈2hrs 3rd Group Advisory Meeting
17	<ul style="list-style-type: none"> • Define the key steps of the planning process • Understand the key principles of planning and its impact on performance • Understand the main aspects of organising and its relationship with planning 	<ul style="list-style-type: none"> • Studying the relevant material through the literature and the readers • Working on review questions relevant to the taught material 	<ul style="list-style-type: none"> • ≈13 hrs study time • ≈2hrs 3rd Teleconference
18	<ul style="list-style-type: none"> • Discuss new forms of organizing. • Define planning and the steps in the planning process • Define and discuss planning principles 	<ul style="list-style-type: none"> • Additional bibliography • Self-assessment exercises • 3rd WA is announced 	<ul style="list-style-type: none"> • ≈15 hrs study time

19	<ul style="list-style-type: none"> List the steps in the strategic management process List the steps in the decision making process Identify the aspects of better decision making. 	<ul style="list-style-type: none"> 3rd Teleconference 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
20	<ul style="list-style-type: none"> Define the key processes of control. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers Working on review questions relevant to the taught material Additional bibliography Self-assessment exercises 3rd WA is due 4th Group Advisory Meeting 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
21	<ul style="list-style-type: none"> Identify the key steps of controlling 		<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
22	<ul style="list-style-type: none"> Compare and contrast different approaches to controlling 		<ul style="list-style-type: none"> ≈15 hrs study time ≈2hrs 4th Group Advisory Meeting
23	<ul style="list-style-type: none"> Understand at a critical level the links between theory and practice of leadership. 		<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers
24	<ul style="list-style-type: none"> Evaluate the different leadership styles 	<ul style="list-style-type: none"> Working on review questions relevant to the taught material 	<ul style="list-style-type: none"> ≈15 hrs study time ≈2hrs 4th

		<ul style="list-style-type: none"> Additional bibliography Self-assessment exercises 	Teleconference
25	<ul style="list-style-type: none"> Identify the different leadership characteristics that apply in different contexts. 	<ul style="list-style-type: none"> 4th WA is announced 4th Teleconference 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
26	<ul style="list-style-type: none"> Understand the role of the human factor as a key building within an organization. Understand the general terminology of the Human resource literature and practice 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
27	<ul style="list-style-type: none"> Understand the nature and role of human resource management in modern organizations; Understand the links between HRM and organizational performance; 	<ul style="list-style-type: none"> Working on review questions relevant to the taught material Additional bibliography Self-assessment exercises 4th WA is due 5th Teleconference 	<ul style="list-style-type: none"> ≈15 hrs study time ≈10 hrs study time for Written Assignment
28	<ul style="list-style-type: none"> Evaluate the impact of compensation practices on individual behavior and organizational performance 		<ul style="list-style-type: none"> ≈20 hrs study time ≈2hrs 5th Teleconference
29	<ul style="list-style-type: none"> Understand of why employees display different attitudes of behavior in organisations. Understand how individual and group level processes interact. 	<ul style="list-style-type: none"> Studying the relevant material through the literature and the readers Working on review questions relevant to 	<ul style="list-style-type: none"> ≈15 hrs study time

30	<ul style="list-style-type: none"> Understand the link of major processes, such as leadership, motivation and trust.. Understand the importance of planning and preparation for the success of change management. 	<ul style="list-style-type: none"> the taught material Additional bibliography Self-assessment exercises (~2hrs) 	<ul style="list-style-type: none"> ≈15 hrs study time
31	<ul style="list-style-type: none"> Develop appropriate design systems to accompany implementation for the success of a human resource processes 		<ul style="list-style-type: none"> ≈15 hrs study time
32	EASTER HOLIDAYS		
33			
34-36	Revision of the material taught and preparation for the final exams	<ul style="list-style-type: none"> Review of the written assignments past and current Review of the material taught Solving student's questions 	<ul style="list-style-type: none"> ≈37 hrs study time
	Revision of the material taught and preparation for the final exams	5th Group Advisory Meeting	<ul style="list-style-type: none"> ≈2hrs 4th Group Advisory Meeting
	<i>Formal Assessment/</i>	Final Exam	3hrs
Total			600hrs