

ECO 201 Milestone Three Guidelines and Rubric

The purpose of this milestone is for students to explore the various costs their firm faces and to describe their firm's market. Using the concepts and tools developed in Modules Four and Five, students will analyze the fixed and variable costs of their firm, how those costs have changed over time, and how those changes have impacted their firm's overall health and sustainability. In analyzing their firm's market, students will detail the extent of their firm's market power and their firm's ability to influence the market. Students will also describe major trends in the market, specifically concerning new products, technologies, and new entrants. Students can further determine the future health of their firm to inform their final recommendations by examining their firm's place within the market.

Prompt: Submit a draft of the **Costs of Production** (Section IV), **Overall Market** (Section V), and **Recommendation** (Section VI) of your research paper, including all critical elements listed below. You will review your firm's financial reports and other relevant data sources to collect and analyze cost information for your firm over the past five or so years. Using real data and the economic tools developed in Module Four, you will analyze your firm's profitability and how costs impact its growth. Additionally, you will find data on your firm's competitors in order to detail your firm's place within the market currently and over the past five or so years. Lastly, you will develop a recommendation for how the firm can manage its future production.

Specifically the following critical elements must be addressed:

- IV. Examine the **costs of production** for your firm.
 - a) Analyze the various costs a firm faces, their trends over time, and how they have impacted your firm's **profitability**.
 - b) Apply the concepts of variable and fixed costs to your firm for informing its **output decisions**. For instance, analyze how different kinds of costs (labor, research and development, raw materials) affect the firm's level of output.
- V. Explore the **overall market** for your firm.
 - a) Discuss the **market share** of the firm and its top competitors by providing details on current percentages for each firm and describing the trend over time. You might consider presenting the data graphically.
 - b) Analyze the **barriers to entry** in this market to illustrate the potential for new competition and its impact on your firm's future in the market.
 - c) Describe the **market structure** for this firm and analyze how this affects the firm's ability to influence the market.
- VI. **Recommendation**
 - a) Develop a recommendation for how the firm can manage its **future production** by synthesizing the data presented.
 - b) Suggest how the firm's position within the market and among its competitors will allow it to take your **recommended action**.
 - c) Describe how the firm can **sustain its success** going forward by evaluating the findings from demand trends and price elasticity.

Rubric

Guidelines for Submission: Your paper must be submitted as a three- to six-page Microsoft Word document (each section should be one to two pages) with double spacing, 12-point Times New Roman font, one-inch margins, and sources cited in APA format.

Critical Elements	Proficient (100%)	Needs Improvement (75%)	Not Evident (0%)	Value
Costs of Production: Profitability	Analyzes the various costs a firm faces, their trends over time, and how they have impacted the firm's profitability	Analyzes the various costs a firm faces, and their trends over time, but does not discuss how they have impacted the firm's profitability	Does not analyze the various costs a firm faces, their trends over time, or how they have impacted the firm's profitability	12
Costs of Production: Output Decisions	Accurately applies the concepts of variable and fixed costs to the firm for informing its output decisions	Applies the concepts of variable and fixed costs to the firm for informing its output decisions, but applies concepts inaccurately	Does not apply the concepts of variable and fixed costs to the firm for informing its output decisions	12
Overall Market: Market Share	Discusses the market share of the firm and its top competitors by providing details on current percentages for each firm and describing the trend over time	Discusses the market share of the firm and its top competitors, but does not provide details on current percentages for each firm or does not describe the trend over time	Does not discuss the market share of the firm and its top competitors	12
Overall Market: Barriers to Entry	Analyzes the barriers to entry in this market to illustrate the potential for new competition and its impact on the firm's future in the market	Analyzes the barriers to entry in this market, but does not illustrate the potential for new competition or its impact on the firm's future in the market	Does not analyze the barriers to entry in this market	12
Overall Market: Market Structure	Describes the market structure for this firm and accurately analyzes how this affects the firm's ability to influence the market	Describes the market structure for this firm, but does not analyze how this affects the firm's ability to influence the market or analysis is inaccurate	Does not describe the market structure for this firm	12
Recommendation: Future Production	Effectively develops a recommendation for how the firm can manage its future production by synthesizing the data presented	Develops a recommendation for how the firm can manage its future production, but recommendation is not effective or is not based on a synthesis of the data presented	Does not develop a recommendation	12
Recommendation: Recommended Action	Suggests how the firm's position within the market and among its competitors will allow it to take the recommended action	Suggests how the firm's position within the market and among its competitors will allow it to take the recommended action, but suggestions are not appropriate	Does not suggest how the firm's position within the market and among its competitors will allow it to take the recommended action	12

Recommendation: Sustain its Success	Describes how the firm can sustain its success going forward by evaluating the findings from demand trends and price elasticity	Describes how the firm can sustain its success going forward, but does not evaluate the findings from demand trends and price elasticity in the discussion	Does not describe how the firm can sustain its success going forward	12
Articulation of Response	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	4
Earned Total				100%