



ECO 500 Milestone One Guidelines and Rubric

Overview: In this first milestone assignment for the final project, you will begin the process of defining the scenario problem for your selected company (Microsoft, Heinz, or American Airlines). As author and businessman Stephen Covey once said, you must begin with the end in mind. As a corporate economist in this hypothetical situation, you too must understand and define the core problem at hand before beginning any kind of analysis. You will need to employ critical-thinking skills to grasp the crux of the problem. Is it a demand-side issue? Is it a supply-side issue? Or is it a mixture of both, involving production and cost concerns? Only after this consideration will you be able to map out a plan for analysis and offer recommendations for a solution.

You may encounter additional companies\case studies within your **ECO 500 Case Study CoursePack**. However, **please disregard them** and ONLY focus on the following:

- American Airlines
- Microsoft Corporation
- Heinz Corporation

Prompt: To complete the first step of this final project, you will submit a statement that **identifies and assesses the context of the problem** presented in your selected company's case study. In this statement, articulate the **root cause** of this problem and how it impacts company objectives (profitability, sustainability, etc.). Some questions you might consider include the following:

- Why is the profit margin dropping?
- Is the company failing to control costs?
- Are there inefficiencies in production?
- Are prices properly determined?

Also, be sure to identify the **economic model** (demand- vs. supply-side analysis) that best applies to the problem and clearly explain why it is appropriate for this scenario.

In business scenarios such as this one, problem statements are needed to describe the problem in a concise way. These statements provide clear and focused analysis objectives and offer a method that will be followed to find possible solutions. To help you craft your problem statement, see the following resource:

[What Is an Effective Problem Statement?](#)

Once the problem and its impact are defined, outline a plan for how you will go about collecting useful data. What kinds of information will you need to locate? Once collected, what kinds of analyses and computations will be necessary to arrive at meaningful conclusions? Use the feedback provided to you by your instructor on the journal assignment in Module One to guide your thought process. These comments were designed to set you on the right research path.



To begin this process, you will need to gather information about the organization or company's current initiatives and processes, general policies, and stated goals. Information can generally be found in the organization's main website, annual report and mission statement, and articles authored by the company or by outside analysts. Additionally, you might consider accessing relevant company and market information on the following sites:

- [U.S. Bureau of Labor Statistics](#)
This is a good source for costs information (i.e., producer price index [PPI]), labor market conditions (i.e., employment and unemployment by industry), and prices of various goods (i.e., consumer price index [CPI]).
- [Electronic Data Gathering, Analysis, and Retrieval \(EDGAR\)](#)
This is the database compiled by the U.S. Securities and Exchange Commission (SEC).
- [U.S. Census Bureau](#)
This site houses useful business and industry data programs.

The course textbook will also be useful. As a managerial economics student and professional, you are encouraged to use your own experience, understanding, and knowledge of business and industry structure to drive your analysis. Specifically, the following **critical elements** must be addressed:

- I. **Identification of the Issue:** In this section of your presentation, you will identify the issue that your executive has inquired about.
 - A. Describe the **context** of the issue that was presented to you and the specific statements that you will research.
- II. **Research:** In this section, you will apply economic theory and quantitative analysis to your research topic.
 - A. Select an **economic model** to apply to the issue presented and justify why it is appropriate for the issue presented.
 - B. Apply the selected economic model to identify the **root cause(s)** of the presented issue.

This problem statement assignment will be incorporated into the final economic analysis recommendation paper.

Rubric

Guidelines for Submission: This milestone assignment should be written in essay format and submitted as a Microsoft Word document. The submission should be 3 to 4 pages in length with double spacing, 12-point Times New Roman font, and one-inch margins. You should use current APA style guidelines for your citations and reference list. Note that at least five outside information sources are required overall for this project, although you might find that more are necessary to satisfy the requirements of the final presentation.

As necessary, copy and paste any data analyses and/or graphics from Excel into your Word document for submission. You may include your original Excel documents as supplementary material if you believe this will strengthen your contribution.



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](#).

Note that the grading rubrics for the milestone submissions are not identical to that of the final project. The Final Project Rubric will include an additional “Exemplary” category that provides guidance as to how you can go above and beyond “Proficient” in your final submission.

Critical Elements	Proficient (100%)	Needs Improvement (80%)	Not Evident (0%)	Value
Identification of the Issue	Describes the context of the issue that was presented and the specific statements that were researched	Describes the context of the issue that was presented and the statements that were researched but description lacks detail or is unclear	Does not describe the context of the issue that was presented and the statements that were researched	30
Research: Economic Model	Selects an economic model to apply to the issue presented and justifies why it is appropriate for the issue presented	Selects an economic model to apply to the issue presented but does not justify why it is appropriate for the issue, explanation is cursory, or the model is inappropriate for the issue	Does not select an economic model to apply to the issue presented	30
Research: Root Cause(s)	Identifies the root cause(s) of the presented issue, using the chosen economic model	Identifies the root cause(s) of the presented issue, using the chosen economic model, but the causes are incomplete or inaccurate or economic model is applied inaccurately	Does not identify the root cause(s) of the presented issue	30
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	10
Total				100%