

MANAGERIAL ECONOMICS EXAMPLE TEAM ASSIGNMENT



COLLUSION AND GAMING ACTIVITY

- ▶ **STUDENT OBJECTIVE:** Try to improve profits in the BTM Team game by participating in developing a price leadership or “implicit collusion” agreement with your rivals.
- ▶ **IN-CLASS PROCEDURE**
 - ▶ Teams meet separately to discuss strategy pertaining to collusion and pick a team leader. Teams decide under what conditions (rules or guidelines) they would be willing to collude. (15 minutes).
 - ▶ Team leaders meet in front of class and try to reach an agreement on setting price and other business decisions. (30 minutes)
 - ▶ If a collusion agreement is reached, the teams meet separately to determine their new decisions and the game is executed. (15 minutes).
 - ▶ Class discussion follows.
- ▶ **BENEFIT:** Students learn from experience the difficulties, challenges and ethical dilemmas of collusion.
 - ▶ Motivating and exciting!

