

Managerial Economics

Course Title:	Managerial Economics (ME)
Course Code:	ECO 601
Pre-requisites:	None
Co-requisites:	None
Level	MBA Level 1
Faculty	Dr. Alexander Mosesov

COURSE INTRODUCTION

Managerial Economics is economics applied to business. Correspondingly, the ME course aims to equip students with ability to conduct economic analysis applied to rational business decisions. Contents of the course is designed for the graduate students who possess prior general knowledge of economics, based on which a managerial decision-making apparatus is introduced. The latter includes methods of analysis, advanced concepts, and a variety of applied tools and techniques useful in any managerial situations in diverse business environment. Hence, the course covers a great deal of challenging work within a concentrated time span. The approach is comprehensive, founded on micro-, macro-, and international economics and draws wherever possible upon links with other units.

LEARNING OUTCOMES

Upon completion, students are expected to have solid foundation of economic paradigms in application to decisions in business management, and to be able to use them as functional tool for practical problem solving and decision-making. Course objective guides students to be able to:

- Understand the essence of managerial economics and use its major tools;
- Evaluate consumer's demand sensitivity, estimate demand and conduct economic forecasting for businesses;
- Assess the business objectives and business strategies of firms through conducting fundamental production and cost analysis;
- Analyze market structures and match firm's business strategies using mechanisms of pricing and price/quantity determination under both perfect, and imperfect competition;
- Understand the importance of risk and uncertainty and apply basic relevant techniques;
- Carry out cost-benefit analysis in project evaluation & investment decisions.

ACHIEVING THE OBJECTIVES

The teaching strategy combines example-based lectures, in-class problem solving and seminars altogether creating a student-centered interactive approach to learning. The course is designed around a core text (Managerial Economics by Peterson and Lewis). Prior to each lecture students are directed to pre-reading of relevant sections from the core text. The lectures are intended to set the parameters for a particular subject, to highlight the key points and to clarify areas in which students are likely to encounter problems during their reading. Each topic is accompanied with various forms of assessments: assignments, quizzes, home-works and/or seminars.

ACADEMICS STRATEGIES

Course delivery is based on methods encouraging active learning: student-centered, interactive, problem- and example-based studies. The course contents is based on the core text, additional reading, web-supported media and Excel worksheets.

THE COURSE CONTENT:

- | | |
|-----------------------------------------------|------------------------------------|
| 1. An Overview of Managerial Economics | 7. Linear Programming |
| 2. Basic Tools of Managerial Economics | 8. Market Structures |
| 3. Demand and Consumer Theory | 9. Imperfect Competition |
| 4. Demand Estimation: Regressions | 10. Pricing Decisions |
| 5. Business Forecasting | 11. Risk in Decision-Making |
| 6. Theory of Production and Cost | 12. Capital Budgeting |

CORE TEXT

Craig H. Peterson / W. Cris Lewis (2002), Managerial Economics, 4th edition, Prentice-Hall.

ASSESSMENTS / GRADING:

Students' performance is assessed in each registered course out of 100 percent marks*. Course grading will be based on the following weighted assessments:

TYPE OF ASSESSMENT	WEIGHT TOWARD THE FINAL GRADE, %	SCHEDULE/TIMING	CONTENTS
QUIZ 1:	5	Week 4	Topics 1-3
QUIZ 2	5	Week 6	Topics 4-6
ASSIGNMENT 1	10	Week 8	Topics 1-6
QUIZ 3:	5	Week 10	Topics 7-9
QUIZ 4	5	Week 12	Topics 10-12
ASSIGNMENT 2	10	Week 14	Topics 7-12
HOME-WORKS	10	Week 1, 3, 5, 9	Topics 1-12
SEMINARS	10	Week 2, 7, 11, 13	Topics 1-12
PARTICIPATION & ATTENDANCE	10	Weekly	Topics 1-12
FINAL EXAM	30		Topics 1-12

* - **For the grading scale of 100: A** is 90 points & above; **B**=80-89; **C**=70-89; **D**=60-79; **F** is 59 & below

ADDITIONAL AND RECOMMENDED RESOURCES

The following additional texts and web references will aid students in their preparation for seminar discussions and supplement their background reading.

▶ Salvatore, Dominick (2006). Managerial Economics in a Global Economy, 6 th Edition., McGraw-Hill, USA.	http://rfe.wustl.edu/
▶ Mansfield, Edwin (2005). Managerial Economics, Theory, Applications and Cases, 6 th Edition, W. W. Norton, USA	http://netec.wustl.edu/WebEc/
▶ Griffiths, Alan; Wall, Stuart (2004). Applied Economics, 10 th Edition, Financial Times Management, UK.	http://dir.yahoo.com/Social_Science/Economics/
▶ McGuigan, J. R.; Moyer R. C.; Harris F. H. (2004). Managerial Economics: Applications, Strategies and Tactics With Economic Applications, 10 th Edition, South-Western, Thompson Learning, USA.	http://dmoz.org/Science/Social_Sciences/Economics
▶ Hornby, Win; Gammie, Bob; Wall, Stuart (2001). Business Economics, 2 nd Edition, Prentice Hall, UK.	www.econ.duke.edu/Quicklinks/econ.quicklinks.html
▶ Davies, Howard; Pun-Lee, Lan (2001). Managerial Economics, 3 rd Edition, Financial Times, Prentice Hall, UK.	www.neiu.edu/~neiulib/websub/webbus.html
	www.finweb.com/
	www.helsinki.fi/WebEc/webecd.html
	www.econ100.com

COURSE POLICIES:

Attendance & Academic Dishonesty:

Attendance and all types of academic misconduct and their consequences are subject to the Skyline College regulations explicitly stated in the *Student's Handbook*

Penalties:

- ▶ *Quizzes, Seminars:* Student who failed to take a scheduled quiz or participate in a designated seminar receives zero points for this quiz or seminar. In case of an excusable reason (sickness or critical family matters) a re-take or a verbal assessment could be organized.
- ▶ *Assignments and Home-works:* Assignments and home-works are due on the date specified. Late submissions are penalized by the top-grade discounts.
- ▶ *Exams:* Penalties, as well as all other regulations for exams are imposed according to current college policies.