Managerial Economics
Syllabus

COURSE OVERVIEW

Managerial economics applies microeconomic analysis to decision making methods in a wide variety of managerial settings. It provides guidance to managers, entrepreneurs, analysts and consultants in both private and public sectors to allocate scarce resources, create incentives and develop competitive strategies. It bridges the economic theory and practice.

The goal of this course is to introduce students to the basics of managerial economics. The aim is to introduce analytical tools that can be used to solve business (and other) problems and develop managerial insights in a formal economic framework. This course aims to endow students with the competency to recognize the benefits and costs associated with business decisions and constraints faced by firms in varying economic scenarios.

Students are expected to understand the function of market mechanisms and the interaction among economic agents after taking this course.
To make the connection between theory and reality, emphasis will be on discussing real-life examples.
Students are expected to have knowledge of Basic High School Mathematics.

COURSE OUTLINE

Introduction to Managerial Economics (chapter 1) Demand and Elasticity (chapter 2, 3), Supply and Cost (chapters 4, 7), Analysis of Competitive Market / Efficiency (chapter 5,6), Market Power and Monopoly, Price discrimination Oligopoly Models (chapter 8,9,11), Strategic Thinking and Game Theory (chapter 14), Externalities (chapter 12).

REQUIRED READING
Additional reading materials will be posted on IVLE.

COURSE ASSESSMENT

Presentation+Participation 15%
Homework Assignments 15%
Midterm Examination 30%
Assignment submission

On the first day of the tutorial, students will form groups. There will be a total of 8 groups in each tutorial section. Each week (on Wednesday) one homework assignment will be posted on IVLE. Students will work in groups and submit assignments the following week to the tutors during their respective tutorial sessions. Group members must work together on each assignment and each group must submit one hard copy. The assignments will account for 15% of the grade.

Assignment Presentation and Tutorial Participation

In addition to submitting the assignments each week, in each tutorial session every week one group will present the homework solution and answer their classmates’ questions. Presentation formats and other details will be discussed by the tutors during the first week of tutorial. There will be a total of 8 groups in each tutorial sessions and each group will get the chance to present once during the semester. Presentation is also a group activity.

In addition to Homework presentation, you will be also required to participate in discussion. You will be graded (individually) on your participation.

Examinations

There will be one Midterm Exam and one Final Exam.

Midterm Exam: On the 4th of October (Monday) between 6-8 pm. Venue MPSH2
This exam will have only multiple-choice questions. This will be a closed-book exam. No cheat-sheets allowed.

Final Exam: On 29 November 2010, at 9 am. This will be a closed-book exam. No cheat-sheets allowed. No make-up exams allowed.