

Economics, Applied
Course Number: 22:223:521
Course Title: Managerial Economic Analysis-Full Time

COURSE DESCRIPTION

Coverage: This course analyses aspects of economic and decision sciences that are most important and relevant in managerial decision-making. It provides a framework for understanding consumer behavior, the nature of the firm as an integrated whole and also studies the interrelationship between the firm and society. Managerial Economics will help students understand the rules for improving managerial decisions, thus setting the stage for efficiency in the achievement of organizational objectives. We will cover essential microeconomic theories and their application to business strategies and managerial decisions under various market conditions. For efficient coverage of topics, we will have case studies and class discussions.

Examples of what you will learn include topics such as: Why do prices change? How are prices determined in various markets? What is the significance of price changes? In addition, the determination of wages, rents, and profits will be covered. We will cover different market structures and the last part of the course will deal with government intervention (regulation and antitrust) and labor market issues. There will be occasional use of some simple calculus to derive results and solve problems, but all the necessary rules and definitions will be reviewed before we do so.

Many of you may have already had some exposure to formal economics. This course will give you the chance to cement your understanding and expand on it, asking questions on economic concepts you may have forgotten about, or discussing how those concepts apply in new settings. Those of you who are completely new to the material will be able to adapt quickly to our objective analysis and develop a framework for thinking about decision making in all different settings.

COURSE MATERIALS

Text and Readings: Required:

a) Baumol/ Blinder, Microeconomics: Principles and Policy, 13th ed., Cengage. ISBN-978-1-305-28061-8

b) Study Guide for Baumol/ Blinder Microeconomics
ISBN-13: 978-1111970000

Additional Readings:

Michael R. Baye and Jeffrey T. Prince: *Managerial Economics & Business Strategy*, 9th Edition, 2017, McGraw-Hill.

Robert Pindyck and Daniel Rubinfeld: *Microeconomics*, 9th edition, 2017, Pearson

Supplementary readings and selected current event articles will be posted on the course Canvas site.

Class lectures and discussions will be based on the textbook as well as outside sources. I strongly recommend that you try to keep up with the current business environment and firm/industry trends by making it a point to regularly read *The Wall Street Journal* and other periodicals [*Business Week*, *The Economist* etc.] Also, several topical case studies will be handed out in class. Please refer to Canvas for chapter slides and case studies.

This is an introductory class in microeconomics, so no prior exposure is required. I do expect familiarity with algebra and graphs which you all have, but may need to brush up on a little during the semester. Some use of calculus is also planned, but I will go over the needed tools.

LEARNING GOALS AND OUTCOMES**Student Learning Outcomes:**

With this course, students will be developing the ability to:

1. Effectively express microeconomic concepts and think critically in written/oral form.
2. Locate and use information related to microeconomics.
3. Integrate knowledge and ideas in a coherent and meaningful manner.
4. Improve their analytical and critical thinking skills as well as their understanding of the basic operation of markets and the price system in the global economy.
5. More specifically, during the course students will learn how to:
 - a. Use supply and demand analysis to examine various economic phenomena.
 - b. Discuss the differences between competitive, monopolistic, and oligopoly markets.
 - c. Discuss the reasons for government intervention in the market.
 - d. Develop analytical ability, teamwork spirit, and communication skills via problem solving, writing assignments, group work presentations, and examinations.

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>).

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given

any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

GRADING POLICY

Grading Procedures:

The grading will be as follows:

Assignments/Quizzes/ Class Participation:	15% weight
Case Studies /Group Projects	20% weight
First Midterm	30% weight
Final Exam	35% weight

Homework will be handed out at regular intervals and will be discussed in class. Students **are strongly** advised to work through the questions in the study guide and at the end of each chapter and take their homework and reading assignments very seriously. Details of the case studies and group projects will be discussed in class.

Final grades will be assigned based on the following scale:

94+	A	78+	C+
90+	A-	73+	C
88+	B+	70+	C-
83+	B	60+	D
80+	B-	59-	F

COURSE SCHEDULE

General Course Outline:

The text is an excellent book, well worth reading in its entirety. However, while we will aim to cover salient elements of Chapters 1-13, some material may be covered as time permits. Also, please check the Canvas site for changes and announcements. I will integrate the Bayes material into class discussions as well.

The tentative schedule is as follows:

I. **Introduction to the Course and Optimization techniques.** [Ch. 1 - 4]

1. Introduction

2. Demand and Supply Concepts
3. Basic Economic Relations: Optimization Techniques

II. **Demand and Supply.** [Ch. 5-9]

1. Consumer Behavior
2. Demand and Elasticity
3. Production and Costs
4. Marginal Analysis
5. Securities, Business Finance, and the Economy*

III. **Markets and the Price System.** [Ch. 10-13]

1. Perfect Competition
2. Monopoly
3. Between Competition and Monopoly
4. Limiting Market Power: Regulation and Antitrust

IV. **Special Topics**

Special Note:

1. *Class time is very important, and a consistent work attitude throughout the semester is necessary and optimal. Please try to read assigned material before class.*
2. *Depending on class interest, some of the sections may be abbreviated or expanded.*
3. *Please arrive on time and limit disturbing the class with entry and exit.*
4. *No laptops, TV's or radios. Cell phones must be turned off during class. If truly necessary, use only vibration modes.*
5. *Please note that while I have listed my office hours, I am always available to address any questions and will be happy to accommodate any requests.*

SUPPORT SERVICES

If you need accommodation for a **disability**, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are **pregnant**, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek **religious accommodations**, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of **gender or sex-based discrimination or harassment**, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military **veteran** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of *physical health* services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of *legal* services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to *English as a second language (ESL)* should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional *academic assistance*, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]