

Economics, Applied
Course Number: 22:223:581
Course Title: Managerial Economic Analysis

COURSE DESCRIPTION AND OBJECTIVES

As managers need to make decisions, managerial economics teaches us a framework for how to make “sound” decisions. It is a fundamentally unique way of thinking that stresses the importance of **incentives** in shaping human behavior and emphasizes the consideration of the **costs** and **benefits** to solve problems. This course will introduce the student on how to apply this way of thinking to make decisions as a business manager. We will start off by understanding how consumers make their consumption decisions as well as the costs and benefits that business managers should consider in making production decisions. We will spend the rest of the time understanding how different market structures have different implications towards monetizing consumers and interacting with competitors. By the end of the course you will be able to identify the particular market setting of any business and how to best compete in it. More generally, you will learn to appreciate and adopt the economic way of thinking in making managerial decisions. **This course will be taught with the focus on “application” and “business practice”. There will be intentional thought exercises that are purposely made up to test your understanding and are designed to not be able to be Googled for quick answers.**

COURSE MATERIALS

Required Textbook: *Managerial Economics and Business Strategy* (8th edition) by Michael Baye and Jeff Prince, McGraw-Hill/Irwin, 2014 (ISBN 978-0-07-352322-4).

Lecture Slides: I will post my Power Point Lecture slides on Canvas under the “Course Documents” Tab, in advance of class. Lecture slides are meant to complement the textbook. Please Do NOT try to save money and believe that the slides will cover 100% of the perspective and materials needed to achieve the grade you desire.

PREREQUISITE

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There are expectations that students will have taken calculus (including differentiation) and statistics to optimize the net benefit of the course. A very sound background in Algebra is assumed. Those of you with recent undergraduate degree in economics are encouraged to consider substituting this course for an economics elective.

EVALUATION

Your final grade will be determined by your performance on three exams based on the following weighing scheme:

Mid Term Exam (Closed Book/Notes)	30.0%
Final Exam (Non-Cumulative, Closed Book/Notes)	30.0%
Individual Quizzes / Assignments	20.0%
<u>Group Projects (1)</u>	<u>20.0%</u>
TOTAL	100%

Based on the above weighing scheme, the aggregate *weighted* grade will be converted to letter grades according to the following table:

A	94.00-100.00%	C+	70.00-74.99%
A-	90.00-93.99%	C	65.00-69.99%
B+	85.00-89.99%	C-	60.00-64.99%
B	80.00-84.99%	D	55.00-59.99%
B-	75.00-79.99%	F	< 55%

Exams: All in-class quizzes will be CLOSED BOOK, CLOSED NOTES. I am leaning towards **on-line testing to take place for the mid-term and final exam.**

Make-up Exams: There will be NO make-up exams unless you miss the exam due to religious observance, a Rutgers-approved activity, illness, or family emergency/death. Even in such instances, you must email me ([Q](#)) to inform me of your absence PRIOR TO missing the exam and provide documentation and/or other evidence to substantiate the legitimacy of your absence. I will STRICTLY enforce a 24 hour rule on notification.¹ If you fail to inform me during this time, you will receive a zero score in the missed exam. No exceptions!

Other Important Exam-Related Policies:

- If you have a disability that influences testing procedures, provide me an official letter from the Office of Disability Services at the start of the semester.
- Your cell phones must be turned off during the exam. You are NOT allowed to use your cell phones for any purpose during the exam, including calculations.

¹ 24 hours will be measured from the START of the exam. For example, if you missed an exam that was scheduled to start at () and end at () you must email me about your absence by [Q](#) the next day.

- You must bring a valid Rutgers photo ID with you on the day of the exam.
- Alternate seating; do not sit next to another student or in your usual seat.
- Use the bathroom prior to the exam start; bathroom breaks, if essential, will be escorted.

Individual Assignments: I will provide a mix short assignments and quizzes that will be worth 20% of your grade. Quizzes will be given in class or on-line and will cover materials discussed in the prior

class. If you miss a quiz without notifying me prior to class, that is a zero score. **Please note that quizzes are created by me after the class and posted to BB for you to take before the next class. It is your responsibility to check BB to ensure you take the quiz.** Assignments will be due as assigned and late work is not accepted. Please keep yourself updated with assignments. (Please take a look at the “Tentative Weekly Schedule” below to see the due dates).

Late Submissions: I will not accept ANY assignments after the due date. Period! Any late submissions will automatically receive a grade of zero!

Group Structure and Formation: You are free to form your own groups. Group size is limited to 7 students. Please email me the name of your group and group members by the end of second week of classes.

Peer Valuation Forms: If you are unhappy with one or more of your group members’ work on the group project, the group (with a majority formally signing the form) can send me an email up to one week after the project to voice their concern. The person in question will receive at least the next lowest grade as received by the group.

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.

ATTENDANCE AND PREPARATION POLICY

- You can expect me to attend all class sessions. I expect the same of you. If I am to be absent, my department chair or I will send you notice via email and Canvas as far in advance as possible. If you are to be absent, report your absence in advance at <https://sims.rutgers.edu/ssra/>. If your absence is due to religious observance, a Rutgers- approved activity, illness, or family emergency/ death and you seek make-up work, also send me an email () with full details and supporting documentation no later than 24 hours after your absence. I will NOT accept requests for any make-up work after 24 hours of your absence.
- For weather emergencies, consult the campus home page. If the campus is open, class will be held.
- You can expect me to arrive on time for each class session. I expect the same of you. You don’t have to notify me if you are going to be tardy; just enter the class quietly when you do arrive so as to not disrupt the class.
- You can expect me to remain for the entirety of each class session. I expect the same of you. If you want to leave, do so discretely so as to not disrupt the class.
- You can expect me to prepare properly for each class session. I expect the same of you.

Complete all background reading and assignments. You cannot learn if you are not prepared. The minimum expectation is that for each 3-hour class session, you have prepared by studying for at least twice as many hours.

- You can expect me to participate fully in each class session. I expect the same of you. Stay focused and involved. You cannot learn if you are not paying attention.

PRACTICE PROBLEMS

The textbook contains excellent practice problem; I strongly encourage you to do as many as you can. We will also solve some of these problems in class. I will not collect or grade these problems.

To assist you in solving end-of-chapter problems I will also provide you the Solutions Manual for the textbook. This will be available under the “Resources” tab on Canvas. To get the most benefit out of the Solutions Manual, consult it only after you have diligently attempted the question(s) yourself.

CLASSROOM CONDUCT

Please bear in mind the following with respect to classroom conduct:

- If I feel that you are distracting the class in any way, I may ask you to leave the classroom.
- You are more than welcome to ask questions during class. Insightful questions/comments that indicate careful preparation are highly encouraged. Nonetheless, I reserve the right to not take a question if it disrupts the flow of the ongoing discussion or is tangential to the matter at hand. I’d be happy to discuss such questions with you after-class.
- Be civil to others during the class.
- Raise your hand and wait for my acknowledgement before speaking.
- Bring your name cards with you to all classes.
- Do not read any material in class that is unrelated to the lecture or is other than the prescribed reading for the course.
- Switch your cell phones OFF (or on SILENT mode) during class. If you are expecting important phone calls during class, at the very least set your cell phones to “vibrate” mode and take your calls outside the classroom after excusing yourself.
- If you plan to bring your laptops to class to take notes, please don’t get busy web surfing or chatting. This is a graduate level class and I do expect some sort of restraint on your part.

OTHER IMPORTANT CLASS / GRADING POLICIES

No Extra Credit: There will be no opportunities for extra credit for any student. Your final grade in the exam will be strictly determined based on your performance on the criteria outlined above.

Grade Disputes: All grade disputes must be brought to my attention within one week of receiving the grade in question - no considerations for grade change will be made after this one- week period.

Grade Grubbing: Your final grade is NOT subject to negotiation. Unless I have made no error in calculating your grade (see “Grade Disputes” above), I cannot and will not adjust grades. If you are

concerned about losing your scholarship, losing tuition reimbursement, losing job opportunities, or dismissals, **STUDY HARD!** I will not accept these (or any other) excuses to change your grade, and **PLEASE DO NOT ASK ME TO DO SO.** It is dishonest to attempt to influence faculty in an effort to obtain a grade that you did not earn, and it will not work.

COURSE SCHEDULE
TENTATIVE WEEKLY SCHEDULE²

DATE	TOPIC
Lesson 1	Syllabus: Brief Discussion Scope of Managerial Economics Math Review
Lesson 2	Demand and Supply Market Equilibrium, Comparative Statics
Lesson 3	Elasticity of Demand Estimating Demand Functions
Lesson 4	Production and Cost Functions
Lesson 5	Perfect Competition
Lesson 6	MID TERM EXAM
Lesson 7	Monopoly Monopolistically Competitive Markets
Lesson 8	Basic Oligopoly Models (cont.) Inside Oligopolies: Basic Game Theory
Lesson 9	Inside Oligopolies: Basic Game Theory (cont.)
Lesson 10	Pricing Strategies for Firms with Market Power
Lesson 11	Pricing Strategies for Firms with Pricing Power (cont.)
Lesson 12	GROUP PROJECT
Lesson 13	FINAL EXAM

² Please note that this course is segmented by lessons which may overlap weeks. schedule is tentative and is subject to change.

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.]