COURSE DESCRIPTION

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, determination of wages, rents, and profits will be covered. 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.

COURSE MATERIALS

Text and Readings:

a) Pindyck/ Rubinfeld, Microeconomics, 8th ed. Prentice Hall. ISBN-10: 013285712X
b) Study Guide for Pindyck/ Rubinfeld Microeconomics

Additional Readings:

Supplementary readings and selected current event articles will be posted on the course Blackboard 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 Blackboard for chapter slides and case studies.
LEARNING GOALS AND OBJECTIVES

1. With this course, students will be develop the ability to:
2. Effectively express microeconomic concepts and think critically in written/oral form.
3. Locate and use information related to microeconomics.
4. Integrate knowledge and ideas in a coherent and meaningful manner.
5. 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.
6. 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.

Grading Procedures:
The grading will be as follows:

- Individual Homework & Quizzes: 10% weight
- Case Study /Group Projects: 10% weight
- First Midterm (Tuesday, October 21, 2014): 35% weight
- Final Exam (Tuesday, Dec. 9, 2014): 45% weight

   a) 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.

General Course Outline:
The text is an excellent book, well worth reading in its entirety. However, while we will aim to cover Chapters 1-13 in detail, the other chapters may be covered as time permits. Also, please check the Blackboard site for changes and announcements. (* indicates selected portions below.)

The tentative schedule is as follows:

I. Introduction to the Course and Optimization techniques. [Ch. 1 and 2]
   1. Introduction to Managerial Economics
   2. Demand and Supply Concepts
   3. Basic Economic Relations: Optimization Techniques
II. **Consumer Behavior.** [Ch. 3, 4, 5]
   1. Consumer Behavior
   2. Individual and Markets
   3. Uncertainty

III. **Production Theory.** [Ch. 6, 7, 8, 9]
   1. Production Theory
   2. Cost Analysis
   3. Profit Maximization
   4. Competitive Markets

IV. **Market Structure and Strategy** [Ch. 10, 11, 12, 13, 14, 15]
   1. Monopoly and Monopsony
   2. Pricing with Market Power
   3. Monopolistic Competition and Oligopoly
   4. Game Theory and Strategic Behavior
   5. Markets for Factor Inputs *
   6. Investment, Time, and Capital Markets *

V. **The Role of Government in the Market Economy.** [Chapter 16-18]
   1. General Equilibrium and Economic Efficiency
   2. Markets with Asymmetric Information
   3. Externalities and Public Goods

**Special Note:**
1. Depending on class interest, some of the sections may be abbreviated or expanded.
2. Attendance will be taken. Please arrive on time.
3. Cell phones must be turned off during class. If truly necessary, use only vibration modes.
# Course Calendar

## Fall 2014: Sep. 2 - Dec. 16

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## Academic Integrity:

Rutgers University has an honor code to ensure academic integrity. Students are expected to know and adhere to the **University Policy** on the Honor Code, plagiarism, discrimination, harassment, and accommodating those with disabilities. This class will adhere to these policies and students need to be familiar with them.