

SYLLABUS  
ECO 467: Managerial Economics  
Spring, 2008

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Office: SHB 232-A  
Hours: MW: 8:30-9:30 a.m.;  
TTh: 2:00-3:30 p.m.

☞ **All course materials (homework, handouts, etc.) will be posted to Blackboard** ☞

**Course Description:** An integration of economic tools of analysis with optimization techniques such as calculus, LaGrangian multipliers and linear programming. Additionally, students are exposed to risk analysis and decision-making under uncertainty, inventory control, profitability analysis, and capital budgeting. Prerequisites: ECO 230 or 233, BAN 232, FIN 367.

**Learning Objectives:** Upon completion of this course, the student will have learned

1. To apply the techniques of optimization theory to problems in business and economics.
2. To derive rules for decision making under conditions of risk and uncertainty.
3. To demonstrate the importance of completely and accurately quantifying the benefits and costs of any set of economic alternatives.

**Text:** Samuelson & Marks, Managerial Economics, Fifth Edition

**Other Resources:** Study Guide on reserve in the library. A really nice tutorial of basic math for economics is located here: <http://www.columbia.edu/itc/sipa/math/>.

**Grading:** There will be four mid-terms with equal weight of 20% toward your final grade, and a combination of quizzes and homework for the remaining 20%. Each mid-term will consist of 15-20 multiple choice questions, with a weight of 60%, and 2-3 problems, with a weight of 40%. The final exam, which is comprehensive, will be used as a make-up for any missed exam or as a replacement for a low grade on a mid-term (I will use the higher of the two grades, so there is no penalty for taking the final). The final cannot be used to replace a low quiz/homework grade. If you are satisfied with your grade from the four mid-terms, you do not have to take the final. Please note that you can replace a low grade with the final only if you have taken all four mid-terms, so plan your emergencies carefully. The final will be a compilation of “greatest hits” from the midterms and structured in the same ratio of multiple choice to problems.

The grading scale is the usual 90-100, “A”; 80-89, “B”; 70-79, “C”; 60-69, “D”; below 60, “F”. There is no curve. There are no brownie points, style points or extra credit projects.

**Attendance:** I will take attendance at the beginning of each class period. Anyone with perfect attendance will receive four bonus points; anyone with one absence will receive two bonus points. You may miss up to two classes without penalty. After two absences, you will lose one point from your final grade for the third, two for your fourth, three for your fifth, four for your sixth, and so on. The system is cumulative, so that after six absences, for example, you will have lost a total of ten points. Absences are counted from the date you first appear on the roll.

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### **Student Absences on Religious Holy Days Policy**

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). This request must be made in the first fifteen days of the semester or the first seven days of a summer session in which the absence(s) will occur. The instructor will complete a form notifying the student of a reasonable time during which the missed assignments and/or examinations are to be completed.

### **Rules of the Road:**

- No eating, drinking (except water), or dipping.
- No electronic devices. Turn cell phones off.
- No headgear.
- No Cheating will be tolerated. Cheaters receive automatic F. NO exceptions.
- If you must leave in the middle of class, do not re-enter.
- Be on time.

### **Homework/Quizzes:**

Homework will be end of chapter problems and exercises posted on Blackboard. Homework will be collected and graded; you must be in attendance on the due date to have your homework counted. Quizzes will be short, multiple choice, and unannounced. There will be about 10-12 homework and quizzes combined; I shall drop the low two scores.

### **Americans with Disabilities Act**

SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: no accommodation can be made until you register with the Counseling Center.

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TENTATIVE SCHEDULE (Test Dates are Firm)

<u>Week</u>	<u>Topic</u>	<u>Chapter</u>
1	Optimization theory (see <b>Blackboard</b> )	2, appendix
2	Optimization in Competition	10
3	Optimization in Monopoly	11
4	Demand Analysis	3
5	<b>Exam 1: Feb 12/13</b> Demand Analysis	3
6	Oligopoly	12
7	Strategic Behavior & Game Theory	13
8	<b>Exam 2: Mar 4/5</b> Strategic Behavior & Game Theory	13
<b>SPRING BREAK (March 7-16)</b>		
9	Strategic Behavior & Game Theory	13
10	Risk Analysis	8
11	Risk Analysis	8
12	<b>Exam 3: Apr 9/10</b> Value of Information	9
13	Value of Information	9
14	Asymmetric Information	15
15	Market Failures	14
16	<b>Exam 4: May 7/8</b> Market Failures	14
<b>Final: May 13/14: 8-10 a.m.</b>		