

ECO571.01 - Managerial Economics

Spring 2008

TUC208

Wed: 6:00pm - 8:40pm

Professor: Troy Quast

E-mail: tcq001[at]shsu.edu

Office: TUC315

Office Hours: Wed 5:30pm - 6:00pm & by appointment

Learning Objectives

- Understand how consumer demand and business supply interact to create markets.
- Learn how to use economic analysis to make business decisions regarding investment, inputs, and pricing,
- Know how and why the government intervenes in the marketplace.
- Independently perform quantitative demand analysis using computer software and regression techniques.

Prerequisites

ECO530 or similar coursework in past degree program.

Textbook

Required

Baye, Michael. Managerial Economics and Business Strategy. Prentice Hall. 6th edition. ISBN 978-0-07-337568-7. (www.mhhe.com/baye6e)

Recommended

Study Guide for use with Managerial Economics and Business Strategy by Baye.

(The study guide will be helpful in learning to solve the types of problems you will see on exams.)

Textbook website

The textbook website (Online learning center: Student edition) contains various materials that may be helpful in understanding the concepts that we cover. The materials include

- Power point slides & flash cards
- Data needed for some of the end-of-chapter problems
- Spreadsheet versions of key tables in the text, which allow you to see how concepts such as marginal cost and profit maximization can be implemented in Excel
- Spreadsheet macros that you can use to find the optimum price and quantity under a variety of market settings.

Grades

Course grades will be based on exams and quizzes.

1. Final exam
 - (a) Covers all of the material covered in the course and will be closed book.
 - (b) **YOU MUST TAKE THE FINAL EXAM.**
2. Mid-term exams
 - (a) There will be four mid-term exams.
 - (b) Your lowest mid-term exam grade will be dropped.
3. Quizzes
 - (a) There will be four quizzes.
 - (b) Your lowest quiz grade will be dropped.
4. Extra credit
 - (a) Extra credit assignments will not be given.

Grades will be determined as follows:

Table 1: Total Points Calculation

	Number Graded	Maximum Points Each	Total Possible Points
Final Exam	1	200	200
Mid-Term Exams	3	100	300
Quizzes	3	25	75
Bonus Points	n/a	n/a	25
Total	n/a	n/a	600

Table 2: Point Ranges

Final Grade	Point Range
A	540-600
B	480-539
C	360-479
F	< 360

Make-Up Exams and Quizzes

As the lowest exam and quiz grades are dropped, make-ups will not be offered.

Additional Course Resources

Calculators

Every student should have a scientific calculator that is able to calculate exponents and natural logarithms. Graphing calculators and cell phones are not allowed to be used during quizzes or exams.

Blackboard

Blackboard (<http://blackboard.shsu.edu/webapps/login>) will be used to post this syllabus, grades, and other course documents. I will also use it to send emails, so be sure that you are able to access your email account that is associated with Blackboard.

University Guidelines

Conduct

You are expected to be fully acquainted and comply with all published policies, rules, and regulations of SHSU.

Academic Dishonesty

Students are expected to conduct their academic work with integrity and honesty. Acts of dishonesty will not be tolerated and can result in the failure of a course and dismissal from the University. Academic dishonesty includes, but is not limited to, cheating on a test, plagiarism, collusion the unauthorized collaboration with another person in preparing work offered for credit, the abuse of resource materials, and misrepresentation of credentials or accomplishments. The University policy on academic honesty and appeal procedures can be found in the manual entitled Student Guidelines, distributed by the Division of Student Services (Reference Section 5.3 of the SHSU Student Guidelines).

Attendance

Attendance is required and will be recorded. Only students who have registered for the class are allowed in the classroom.

Student Absences on Religious Holy Days

Section 51.91(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. Section 51.911 (a)(2) defines a religious holy day as a holy day observed by a religion whose places of worship are exempt from property taxation under Section 11.20 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 with 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 days(s). The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For a complete listing of the university policy, see http://www.shsu.edu/~vaf_www/aps/documents/861001.pdf.

Disabled Student Policy

It is the policy of Sam Houston State University that no otherwise qualified disabled individual shall not be excluded, solely by reason of his/her disability, from participation in any academic program of the University. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance are expected to visit with the Office of Services for Students with Disabilities located in the Counseling Center. They should then make arrangements with their individual instructors so that appropriate strategies can be considered and helpful procedures can be developed to ensure that participation and achievement opportunities are not impaired. 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 the student registers with the Counseling Center. There will be no retroactive accommodations. For a complete listing of the University policy, see http://www.shsu.edu/~vaf_www/aps/811006.html.

Tentative Course Outline

Date	Chapters Covered	Topics Covered
2008-01-16	Syllabus 1	Introduction, five forces, time value of money, marginal analysis
2008-01-23	2	Demand, supply, equilibrium, comparative statistics
2008-01-30	Quiz #1 3	Own price elasticity, other elasticities regression analysis
2008-02-06	4	Budget constraints, comparative statics, indifference curves
2008-02-13	Mid-term exam #1	
2008-02-20	5	Production function, short-run vs long-run, cost minimization
2008-02-27	Quiz #2 5	Cost function, economies of scale, economies of scope
2008-03-05	Mid-term exam #2	
2008-03-12	Spring break	
2008-03-19	8	Perfect competition, monopoly, monopolistic competition
2008-03-26	Quiz #3 9	Oligopoly models, contestable markets
2008-04-02	10	One-shot games, infinitely repeated games, finitely repeated games, multi-stage games
2008-04-09	Mid-term exam #3	
2008-04-16	11	Basic pricing strategies, price discrimination, two-part pricing
2008-04-23	Quiz #4 12	Adverse selection, moral hazard, auctions
2008-04-30	14	Antitrust, price regulation, quotas, tariffs
2008-05-07	Mid-term exam #4	
2008-05-14	Final Exam	