Course Number: ECON 5315-001, Mondays, 7:00 – 9:30 PM, CI 122

Course Name: Managerial Economics.

Instructor: Adolfo Benavides
Faculty Center 117. Ph: 825 -2769 (office), 994-7688 (home).
Office hrs: M, T, Th 10:30 AM – 12:20 PM, M 6:00 -7:00 PM or by appointment.

Access to Excel software is also required.

Optional Materials: Study Guide.

Prerequisites: Econ. 5311 or equivalent.

Course Description: A graduate level course in managerial microeconomics focusing on the use of economic tools and concepts to assist managers in decision-making. Topics include market demand and elasticity, demand estimation, production and cost functions, marginal analysis under various forms of market structure, and game theory.

Learning Objectives: By the end of this course, students will be able to:
1. Integrate micro economic models into the evaluation of alternative choices for managerial decision-making.
2. Effectively identify, from the firm’s management perspective, the market structure in which the firm operates and it secondary competitors.
3. Integrate the use applied mathematics and statistics with marginal analysis into the managerial decision-making process.

Relationship to Other Coursework: This course is designed specifically for those students who have completed their Econ. 5311, Foundations in Economics or equivalent course, and are interested in learning more about the application of economic principles in the context of managerial decision-making in some of the functional areas of business such as marketing, finance, production etc.

Instructional Methodology: Lecture, class discussions, oral presentations and problem sets using the excel software package.
Performance Evaluation and Grading: Throughout the semester students will have a number of “opportunities to perform” and to accumulate points towards a maximum of 400 possible points. Based on each student’s total number of points earned during the semester individual course grades will be assigned based on the following scale: A: 90% & up, B: 80 - 89%, C: 70 - 79%, D: 60 - 69%, F: 59% & below. NOTE: During each exam students will have the option of using a 3” by 5” card with notes at a modest “fee” of 5% of the exam’s value. Use of their notebook or text is allowed at a “fee” of 15% of the exam’s value and must be authorized at the beginning of the exam. Calculators are allowed during exams free of any “fees”. Copying or using additional unauthorized materials or sources of information during exams carries a “fee” equal to 100% of the exam’s value.

The values and relative weights of these opportunities to perform are as follows:

Two midterm exams @ 100 pts. each………………..200 pts. or 50%
Regression Analysis Project* ……………………60 pts. or 15%
Final exam**……………………………………100 pts. or 25%
Assignments***…………………………………40 pts. or 10%

TOTAL 400 pts. 100%

* Regression analysis project includes a proposal (worth 30 points and due on Monday, March 23, 2009) and a final paper (worth 30 points and due on Monday, April 20, 2009)

** The final exam will be on Monday, May 11, 2009 @ 7:15 – 9:45 PM.

Students who earn 90 points or higher in each of the first two exams, or who have a 93% average in those two tests, who have also turned in all their assignments on time and who have an A average for the course as of the last week of classes, MAY be exempted from the final exam.

*** Hard copies of assignments are required. Only under extraordinary circumstances is electronic submission of assignments acceptable. No unexcused late assignments are accepted.

Note: All exams must be taken as scheduled. There are no make-up tests for exams missed without a legitimate reason, which must be communicated to the professor BEFORE the test. ONLY under extenuating circumstances, approved by the professor, will students be allowed to make-up the missed test.

Course Withdrawal Policy: The last day to drop this or any other course for the semester with an automatic grade of “W” is FRIDAY, APRIL 3, 2009. Students must complete the official drop process to receive a “W” and, after this date, students will not be allowed to drop an individual course.
**Oral and Written Communication Content:** Given the often-interactive nature of this class, students will have the opportunity to demonstrate their verbal communication skills. Oral presentations will enhance such an opportunity. Discussion questions in exams, the written article review and project will serve the same purpose in regards to written communications skills.

**Technology Applications:** An integral part of this class is the application of the Excel software package to complete the regression analysis project. Date for such project may be obtained from a number of websites that report economic statistics. Written article review is to be computer generated. Students are encouraged to enhance the quality of their oral presentation using computer generated materials.

**Ethical Perspectives:** Within the context of the market mechanism the ethical dimensions of different outcomes of business decisions implemented by managers will be discussed from the perspective of the “ethics of the marketplace” as well as from other points of view.

**Global Perspectives:** The globalization of the economy and international considerations of the managerial decisions will make it inevitable to cover the content of this course without a significant global perspective.

**Demographic Diversity Perspectives:** The effects of managerial decisions on employment levels, geographic regions, trade, income and on different segments of the population, etc. will provide opportunities for discussing the demographic diversity component of this course.

**Political, Social, Legal, Regulatory and Environmental Perspectives:** Since business decisions must be made within the legal and regulatory framework and must also take into account the social/political and environmental implications, discussion of these factors, external to the firm, will be a significant component of this class.

**Attendance Policy:** Students are held responsible for class attendance and are advised that excessive absences may adversely affect their understanding of the course content and, consequently, their grades. Students absent from class are responsible for assignments due/materials discussed/announcements made.

**Academic Honesty:** University students are expected to conduct themselves in accordance with the highest standards of academic honesty. Academic misconduct for which a student is subject to penalty includes all forms of cheating, such as illicit possession of examinations or examination materials, forgery, or plagiarism. (Plagiarism is the presentation of the work of another as one’s work.)

**American with Disabilities Act Compliance**
The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other
things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you believe you have a disability requiring an accommodation, please contact the Disability Services Office at (361) 825-5816 or visit the office in Driftwood 101.

**Code of Ethics:**
This course, and all other courses offered by the College of Business (COB), requires all of its students to abide by the COB Student Code of Ethics (available online at [www.cob.tamucc.edu](http://www.cob.tamucc.edu)). Provisions and stipulations in the code are applicable to all students taking College of Business courses regardless of whether or not they are pursuing a degree awarded by the COB.

**Course Outline & Readings**

I. **Introduction to Managerial Economics**…………………………..Ch. 1

II. **Estimation of Demand Functions, Regression Analysis**…………..Ch. 3

III. **Demand and Supply, Elasticity and Total Revenue**……………..Ch. 2

IV. **Production and Cost Functions**……………………………………..Ch.5,6

V. **Profit Analysis**………………………………………………………..Ch. 7

VI. **Firm Behavior Under Perfect Competitive and Monopoly Conditions** ………………………………………………Ch. 8

VII. **Firm Behavior Under Monopolistic Competition and Oligopoly**…Ch. 9

VIII. **Game Theory and Strategy**…………………………..Ch 10

IX. **Special Topics in Pricing and Profit Analysis**…………………Ch. 11

Linear Programming……………………………….Appendix Ch 7

X. **Special Topics: Macroeconomic Forecasting**…………………..Ch. 4

Legal/Regulatory Issues……………………………….Ch. 16