

Oakland University Department of Economics

**ECN 303: Managerial Economics (3 credit hours)
Winter 2018**

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Office Hours: **Wed. 4:00-5:00, Fri. 2:30-3:30 p.m., and by appointment.**

Course Description: Explores microeconomic theory and its application to managerial decision making. Examines consumer behavior, cost and output estimation, optimization, pricing issues in competitive and noncompetitive markets, decision making under uncertainty and capital budgeting. *This class satisfies the General Education requirements in the Knowledge Applications (integration) area.*

Course Prerequisites: ECN 2010 or ECN 2100, and MTH 1220. (Note: MTH 1222 is a knowledge foundation area, and ECN 210 is a knowledge exploration area in the General Education program). Minimum 2.0 in each course, and major standing for business majors. Students who do not satisfy these prerequisites cannot continue in this course.

General Education Learning Outcomes—Knowledge Applications Area: The student will demonstrate how knowledge in a field outside of the student's major can be evaluated and applied to solve problems across a range of applications knowledge of the personal, professional, ethical and societal implications of these applications.

Cross-Cutting Capacity: Critical Thinking.

Required Text: Managerial Economics (8th ed.) by Samuelson and Marks.

Course Goals and Objectives: This is one of several courses that satisfy the knowledge applications general education learning outcomes (a requirement within Oakland University's general education curriculum).

The Department of Economics approved the following standardized course objectives for all sections of ECN 3030.

1. To explain how economics is used as a tool for managerial decision-making.
2. To apply microeconomic concepts to problem solving situations faced by a firm.
3. To gain facility in using calculus and other quantitative tools in optimization.
4. To understand the following major topics:
 - a. Firm demand, its determinants, and elasticities.
 - b. Optimal production decisions.
 - c. Cost analysis in the short and long run.
 - d. Alternative market structures.
 - e. An additional topic or topics such as game theory, decision making under uncertainty, and the role of government in market failure.

Also, you should be aware that *this course satisfies the "critical thinking" learning goal in the SBA's assurance of learning.*

The Critical Thinking Learning Goal is assessed in three SBA core courses: ECN 3030, FIN 3220, POM 3430. Four "learning objectives" are assessed within this goal:

1. Students should have the ability to identify the assumptions needed to analyze assigned cases or problems.
2. Students should be able to identify relevant and irrelevant data or information presented within the cases or problems.
3. Students should be able to identify the different approaches that can be considered in order to solve the problem or address the case.
4. Students should be able to derive or describe appropriate solutions to the problems or cases.

Be aware that a formal "critical thinking" assessment will be conducted at some point during the course of the semester.

Please note that you are responsible for solving the problems at the end of the chapters that have been assigned.

Course Assessment: Testing will comprise two mid-term examinations and a final exam. These shall account for 80% of the course grade. The remaining 20% of the course grade will be based on homework and in-class exercises, which should be submitted via Moodle, in a format that is readily accessible in a Windows environment. For uploads, Word, Excel, and pdf formats work well. If you have a Mac, it is your responsibility to upload your document in a manner that makes it viewable to the instructor (e.g., upload on campus if necessary), otherwise you will not be credited for the assignment since the quality of your assignment cannot be verified. Please be aware that the goal of the various assignments and class participation is to assure a level of student engagement with the course material. *This instructor believes that engagement is necessary for learning.*

Tentative dates for exams are also shown, along with weights for assignments, as follows:

| Assignment | Tentative Date | % of Grade |
|--|-----------------------|-------------------|
| Midterm #1 | February 7 | 25% |
| Midterm #2 | March 19 | 25% |
| Final | <i>Thu, April 19</i> | 30% |
| Other Assignments + class participation | Varies | 20% |
| Total | | 100% |

Tentative Course Outline

| Meeting Date | <u>Topics</u> |
|-------------------|--|
| Week 1 | Introduction to Managerial Decision-making |
| Week 2 | Optimization [Ch. 2] Intro to Demand Analysis [Ch. 3] |
| Week 3 | Demand Analysis, cont'd [Ch. 3] Optimal Pricing [Ch. 3] Price Discrimination [Ch. 3] |
| Week 4 | Estimating Demand |
| February 7 | Midterm Exam. #1 |
| Week 6 | Production Analysis [Ch. 5] |
| Week 7 | Production Costs [Ch. 6] |
| Week 8 | Cost Analysis; Returns to Scale [Ch 6] |
| Week 9 | Perfect Competition [Ch. 7] Monopoly [Ch. 8] Government Regulation of Monopoly |
| March 19 | Midterm Exam. #2 |
| Week 11 | Monopolistic Competition [Ch. 8] |
| Week 12 | Oligopoly [Ch. 9] |
| Week 13 | Game Theory & Competitive strategy [Ch. 10] |
| Week 14 | Game Theory in Managerial Decision-making [Ch. 10]. |
| April 19 | FINAL EXAM |