



Dillard College of Business Administration

Syllabus: Managerial Economics

ECON 5113, Section X20

Spring 2019

Contact Information:

Instructor: Dr. Pablo A. Garcia-Fuentes

Office: Dillard Building 292

Office Hours: Tuesday 1:00 pm to 5:00 pm, and Wednesday 8:00 am to 12:00 pm and 1:00 pm to 3:00 pm. Otherwise, by appointment.

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Text:

Baye, Michael R. and Jeffrey T. Prince. 2014. Managerial Economics and Business Strategy. 8th Edition. McGraw-Hill/Irwin, 1221 Avenue of the Americas, New York, NY 10020. (*Required*)

Copyright:

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Course Description:

This course introduces students to the application of microeconomic theory to the allocation of scarce resources seeking to reach managerial goals. This include household welfare maximization and firm profit maximization. Specific issues include demand and supply analysis, quantitative analysis of demand, the theory of individual behavior, production and costs, competitive markets, monopolistic competitive markets, and oligopoly markets. In addition, the application of game theory to analyze the behavior of firms in the oligopoly market.

Course Prerequisites:

There is not prerequisite for this class but having taken principles of microeconomics, intermediate microeconomics, and calculus would be very helpful.

Learning Goals:

The general objective of this course is to help students understand fundamental microeconomic theory applications that can help managers reach their goals.

A. General Learning Goals:

1. Critical thinking and problem solving through critical analysis, evaluation, and interpretation of business information. The students will demonstrate their abilities in critical thinking and problem solving and decision-making abilities by applying microeconomic theory to solve problems in assignments and examinations.
2. Communication skills. The students will demonstrate their abilities in effective and efficient skills in writing when explaining solutions to problems in assignments and examinations.
3. Integrate knowledge across business disciplines. The students will be able to identify relationships between managerial economics and other business courses such as marketing and statistics.
4. Personal Responsibilities. The students will demonstrate their abilities in connecting choices, actions, and consequences to economic reasoning and ethical decision-making.

These general learning goals represent or are similar to those established by the Dillard College of Business Administration. The goals represent the skills that graduates will carry with them into their careers. While assessing student performance in obtaining these general learning goals, the College hopes to assess its programs. The assessments will assist us as we improve our curriculum and curriculum delivery.

B. Course Specific Learning Goals:

- Understand the definition of managerial economics
- Understand the role of market forces: demand and supply
- Understand the theory of individual behavior
- Understand production and costs
- Understand the behavior of competitive markets, monopolistic competitive markets, and oligopoly markets
- Understand the application of gain theory to explain the behavior of firms in the oligopoly market
- Understand market power and price determination

Teaching Method:

Given that this is an online course, the course starts on 01/12/2019 and ends on 05/09/2019 as suggested by the 2019 spring academic calendar. The student must read a chapter a week as suggested by the course outline below. In addition, the student must submit an assignment a week. The student is responsible for reading each assigned chapter and any additional class material. Class notes for each chapter will be posted on D2L and some other related class material. The student is allowed to ask questions on any point that is not understood. The instructor has academic freedom to bring in class material and technology in his own way. In this class, you will use the internet to access the class material posted on D2L. The week starts on Monday and ends on Sunday.

Course Policies:

A. Attendance Policy:

Attendance will be checked each week based on homework submissions. Students are expected to submit all assignments (attend all scheduled classes) for this course given the university attendance policy. **Missing 3 assignments from 1/12/2019 to 3/25/2019 (the withdrawal date) is considered excessive by the instructor; therefore, students who reach this level of missed assignments will be dropped by the instructor with a grade of "F", given the university attendance policy. Additionally, missing 5 assignments during the semester is also excessive; therefore, students who reach this level of missed assignments will get a final grade of "F", given the university attendance policy,** as shown in the 2017-2018 Student Handbook and Activities Calendar which may be found at [Link to Student Handbook and Activities Calendar: https://msutexas.edu/student-life/dean/](https://msutexas.edu/student-life/dean/).

B. Other Course Related Policies

Academic Integrity:

Regarding academic honesty, students are referred to the "Student Honor Creed" (See "Student Honor Creed" in the 2017-2018 *Graduate Catalog*, which may be found at [Link to Student Honor Creed: http://catalog.msutexas.edu/content.php?catoid=18&navoid=923#Student_Honor_Creed](http://catalog.msutexas.edu/content.php?catoid=18&navoid=923#Student_Honor_Creed)).

Exam Policies:

Exam policies are related to academic integrity and can also be stated in the first page of the test.

Americans with Disability Act:

This class follows the guidelines suggested by the Center for Counseling and Disabilities Services for those students who qualify for disability services. Please notify the instructor of your special needs during the first week of classes (See “Services for Students with Disabilities” in the 2017-2018 *Graduate Catalog*).

Syllabus Change Policy:

- This syllabus is a guide for the course and is subject to change.

Correspondence:

All correspondence regarding class issues must be conducted in person or through email using your **Midwestern State University (MSU) email only**. I will not return answers to questions to other email accounts. Since email is often the most convenient means of communication, it is recommended that students use and regularly monitor their MSU email account.

I suggest that you link your D2L email with your MSU email, so the messages sent through D2L will be forwarded to your MSU email. To do this,

- Log in to D2L.
- Click on your name on the right upper corner of the screen.
- Click on “account settings”.
- Click on “email”.
- Check “Forwarding incoming messages to an alternate email account” and enter your email in the box.
- Click on “save and close”.

Netiquette: Communication Courtesy Code:

Students are expected to follow rules of common courtesy in all email messages, class discussions, lecture hall posts, chats, etc. If I consider any of them to be inappropriate or offensive, I will forward the message to the Chair of the department and the online administrators and appropriate actions will be taken.

Deadlines:

We cannot totally rely on cyberspace—emails get lost and servers disconnect temporarily. Do not wait for the last hour to do your homework. Reply and check for replies on every email sent and received. The student is responsible for checking deadlines in emails or D2L and for submitting the work to the instructor on time. **I will not reply to emails regarding homework issues during the last 7 hours prior to the deadline.**

Exams, Coursework and Grades:

Exams: During the semester, there will be two take home exams (200 points each). **The two-exam scores will be for 400 points or 66.7% of your course grade.** The exam's instructions and policies will be stated in the first page of the exam. The instructor has academic freedom to include any type of question in the exams.

If a student misses an exam without prior approval from the instructor, please **do not expect a make-up exam.** With the instructor's prior approval you may take a make-up exam during the week of finals. If you anticipate a valid reason for missing an exam please inform the instructor in advance by email. **An unexcused absence from an exam will result in a score of zero on that exam and may be compensated for by counting your final exam in its place with the instructor's approval, and a 20% penalty on that exam's score will be assessed.** The exam dates are noted in the Tentative Course Schedule in this syllabus. Any changes in those dates will be announced as soon as possible and posted prominently on D2L.

Assignments: There will be 14 assignments corresponding to the chapters that will be covered during the semester and a case study. The assignment's instructions and policies will be stated in the first page of the assignment. The case study's instructions will be provided by the instructor and the case study's policies will be stated in the first page of the assignment. The instructor has academic freedom to include any type of question in the assignments. **There will be no make-up assignments under any circumstances.** The student is responsible for having an appropriate internet connection. **If you do not have appropriate internet connection and fail to submit an assignment, do not expect a make-up assignment.** You are expected to complete each assignment by the deadline. You will have an adequate amount of time for each assignment and you must not fall behind. **If you miss an assignment, you will earn zero credits. Your score for all assignments will be for 200 points or 33.3% of your course grade.**

Course Grade:

Course work		Grade Scale	Percentages*	
Case study	60 pts	540-600 pts	90% & above	A
Assignments (14)	140 pts	480-539 pts	80%-89%	B
Exam 1	200 pts	420-479 pts	70%-79%	C
Exam 2	200 pts	360-419 pts	60%-69%	D
Total	600 pts	below 360 pts	below 60%	F

* Percentages are only given for relative levels. Your final score is a total of all your exam, quiz, and homework scores with any bonus points added separately. Therefore 89% is not 1 point short of an A. 89% is only 534 points which is 6 points short of an A.

Grades will not be transmitted electronically (e.g., emails). Grades will be posted on D2L and on MSU Banner. I will not discuss grades or class standing over the phone or by emails. You are welcome to come by my office to discuss about your grade.

Senate Bill 11:

Senate Bill 11 passed by the 84th Texas Legislature allows licensed handgun holders to carry concealed handguns on campus, effective August 1, 2016. Areas excluded from concealed carry are appropriately marked, in accordance with state law. For more information regarding campus carry, please refer to the University's webpage at [Link to Campus Carry Policies: https://msutexas.edu/campus-carry/rules-policies](https://msutexas.edu/campus-carry/rules-policies).

Outline of the course

ECON 5113-X20

Spring 2019

(Subject to some changes and additional readings)

Week and dates	Chapter	Topic
Week 1 (Jan 14, 20)	1	The fundamentals of managerial economics. Chapter 1 assignment.
Week 2 (Jan 21, 27)	4	The theory of individual behavior. Chapter 4 assignment
Week 3 (Jan 28, Feb 3)	2	Market forces: Demand and Supply. Chapter 2 assignment.
Week 4 (Feb 4, 10)	3	Quantitative demand analysis. Chapter 3 assignment.
Week 5 (Feb 11, 17)	5	The production process and costs. Chapter 5 assignment.
Week 6 (Feb 18, 24)	6	The organization of the firm. Chapter 6 assignment.
Week 7 (Feb 25, Mar 3)	7	The nature of the industry. Chapter 7 assignment.
Week 8 (Mar 4, 10)	Exam 1	Exam 1: Chapters 1-7, March 10, 12:59 pm.
Week 9 (Mar 11, 17)	8	Managing in competitive, monopolistic and monopolistically competitive markets. Chapter 8 assignment.
Week 10 (Mar 18, 24)	Break	Spring Break
Mar 25	Withdrawal	Last day for "W". Deadline at 4:00pm. Drops after this deadline receive an "F"
Week 11 (Mar 25, 31)	9	Basic oligopoly models. Chapter 9 assignment.
Week 12 (Apr 1, 7)	10	Game theory: Inside oligopoly. Chapter 10 assignment.
Week 13 (Apr 8, 14)	11	Pricing strategies for firms with market power. Chapter 11 assignment.
Week 14 (Apr 15, 21)	12, Break	The economics of information. Chapter 12 assignment. Holiday Break
Week 15 (Apr 22, 28)	13	Advanced topics in business strategy. Chapter 13 assignment
Week 16 (Apr 29, May 5)	14	A manager's guide to government in the market place. Chapter 14 assignment
Final Exam	Final exam	Tuesday, May 7, 12:59 pm.

Note: The instructor can change the exam dates if it is necessary.