2017

ECON 550-W28 Managerial Economics

R. Stafford Johnson
johnsons@xavier.edu

Follow this and additional works at: https://www.exhibit.xavier.edu/economics_syllabi_summer_2017

Recommended Citation
https://www.exhibit.xavier.edu/economics_syllabi_summer_2017/3

This Restricted-Access Syllabus is brought to you for free and open access by the Economics Syllabi 2017 at Exhibit. It has been accepted for inclusion in Economics Syllabi Summer 2017 by an authorized administrator of Exhibit. For more information, please contact exhibit@xavier.edu.
**Purpose of the course and learning objectives:** The purpose of this course is to provide students with an understanding of economics. At the completion of the course, students should be able to discuss and understand with some depth macroeconomic and microeconomic fundamentals, economic markets and institutions, and corporate valuation and analysis.

Office: 108 Smith Hall  
Phone: (513) 745-3108 (office), (859) 468-2312 cell  
E-Mail: JohnsonS@xavier.edu

**Office Hours:** Thursday prior to class

**Format**
- Lectures
- Review Questions
- PPTs

**Canvas:** PPTs and course information found in Canvas

1. **Economic Foundations**
   
   **Topics**
   - Economic Methodology
   - Positive and Normative Economics
   - Comparative Equilibrium Analysis
   - Dynamic Equilibriums
   - Supply and Demand Analysis

   **Lecture**  
   **Review Questions**
   - PPT: Methodology

2. **Macroeconomic Model**
   
   **Topics**
   - Measuring the Aggregate Economy—National Income Accounts
   - Circular Flow Concept
   - Expenditure-Side of the Economy
• Wealth-Side of the Economy
• Full Equilibrium Model of the Economy
• Introduction to Monetary and Fiscal Policy
• Production-Side of the Economy
• Total Equilibrium
• Aggregate Supply and Demand Curve Analysis
• Impact of Exogenous Demand Changes on the Macro Economy
• Impact of Exogenous Supply Changes on the Macro Economy
• Economic Growth Theory

Lecture
Review Questions

• PPT: Macro AS and AD Analysis

3. Macroeconomic Concepts

Topics
• Capital Formation Process
• Real and Financial Assets
• Characteristics of Assets
• Overview of the Financial Markets
• Asset Value and Return
• Supply and Demand for Loanable Funds—Level and Structure of Rates
• Term Structures
• Deficits, Debt, Treasury, and Agencies
• Public Finance: Adam Smith’s Justification of the Government
• Banking Structure
• Federal Reserve and Central Bank Activities
• Extended Monetary Policy

Lecture
Review Questions

• PPT: Financial Markets and Institutions PPT Zip
• Banking and Money Multiplier

4. Global Macroeconomics

Topics
• Overview
• Balance-of-Payments Model
• Fixed and Pegged Exchange Rate System
• Devaluation
• Nature of Imbalances
• Flexible Exchange Rate System
• Foreign Currency Market
• Interest Rate Parity
• Cross Exchange Rates
• Global Financial Markets

Lecture
Review Questions

• PPT: Intl Macroeconomics
• PPT: IRT and Cross Exchange Rates
• PPT: Global Financial Markets

5. Macroeconomics Issues and Perspectives—Discussion Topics

Topics
• Empirical Econometric Models
• Classical Economic Theory
• Monetarist verses Keynesians
• Solow and Economic Growth Theory
• Shumper, Business Cycles, and Overshooting
• The EU and the Future of the Euro
• The Great Depression
• The Global Economy
• U.S. and Global Banking and Financial Market Crisis

Lecture
Discussions

6. Microeconomics Foundations

Topics
• Production Theory of the Firm
• Cost Theory of the Firm
• Perfect Competition Theory
• Pure Monopoly Theory
• Oligopoly
• Monopolistic Competition
• Labor Markets
• Input-Output Model of the Economy

Lecture
Review Questions
7. Firm Valuation

Topics
- Valuation of Firm
- Capital Budgeting

Lecture
Review Questions
- PPT: Corporate Valuation
- PPT: Capital Budgeting

8. Public Sector Economics

Topics
- Pareto Optimality
- Justifications of the Government

Lecture
Review Questions

9. Basis of Trade, Trade Policy and Economic Integration

Topics
- Comparative Advantage and Other Trade Models
- International Trade Policy
- Economic Integration: European Union and North American Free Trade Agreement
- Trade Theory and Economic Development
- Import Substitution vs. Export Orientation
- Current Problems Facing Developing Countries
- Direct Investment and Multinational Corporations

Lecture
Review Questions
- PPT: Trade, Barriers, and Integration Zip
- PPT: Development, Growth, Dir Inv, and MNC
REQUIREMENTS:

Test Review Exercises and Problem: Some of the problems and questions in the modules are to be completed and handed in at assigned dates.

Tests: Tests will be based on material from lectures and PPTs. There will be two exams during the semester and a quasi-comprehensive final.

<table>
<thead>
<tr>
<th>Test</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Test 1</td>
<td>27.5%</td>
</tr>
<tr>
<td>Test 2</td>
<td>27.5%</td>
</tr>
<tr>
<td>Test Review Exercises</td>
<td>10%</td>
</tr>
<tr>
<td>Final</td>
<td>35%</td>
</tr>
</tbody>
</table>

Modifications: The course outline is subject to modification.

GRADING SCALE:

- 93-100: A
- 89-92: A-
- 85-88: B+
- 80-84: B
- 77-79: B-
- 74-76: C+
- 65-73: C
- 55-64: C-
- 45-0: D
- 0-44: F