2017

ECON 550-W19 Managerial Economics: West Chester

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Course Objectives:
Microeconomic theory posits a philosophy of human behavior and decision making when subject to scarce resources. Students who complete this course will be able to apply these principles of microeconomics within a managerial framework in the context of firm decision making.

After this course, students will understand how decisions within firms are affected by both external and internal forces on the firm. Analyses will include the effects of various market structures such as perfect competition, monopoly, monopolistic competition, and oligopoly. In addition, incentive structures, compensation mechanisms, pricing decisions, and labor decisions will be addressed.

Course Materials:

Grading:
There will be two exams during the term.
- The first course midterm will be administered on **Wednesday, October 11** and contributes to 30% of your grade.
- The second course midterm will be administered on **Wednesday, November 15**.
  This exam is not cumulative and contributes to 40% of your grade.

There also a course project which accounts for 30% of your grade.

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Grade Weight</th>
<th>Date Due</th>
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<tbody>
<tr>
<td>Midterm 1</td>
<td>30%</td>
<td>October 11</td>
</tr>
<tr>
<td>Midterm 2</td>
<td>40%</td>
<td>November 15</td>
</tr>
<tr>
<td>Project</td>
<td>30%</td>
<td>November 29</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
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</table>
There is no other curve in this course. You must attain the following percentage of the total credit available to receive each grade:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percent Credit</th>
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<tbody>
<tr>
<td>A</td>
<td>93-97%</td>
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<tr>
<td>A-</td>
<td>90-93%</td>
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<tr>
<td>B+</td>
<td>87-90%</td>
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<tr>
<td>B</td>
<td>83-87%</td>
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<td>B-</td>
<td>80-83%</td>
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<tr>
<td>C+</td>
<td>70-80%</td>
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<tr>
<td>C</td>
<td>60-70%</td>
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<tr>
<td>F</td>
<td>0-60%</td>
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</tbody>
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Project
One of the purposes of this course is to understand about the economic foundation for managerial decisions. Topics include decisions on pricing, outsourcing/vertical integration, product lines, etc. For this project, you will provide an analysis of one of the topics, applied to your company. You may partner with one other person in the class, but it is not required.

There are two deliverables for this project: a paper and a presentation, each contributing 15% to your final grade.

The paper will be a 5-7 page analysis of the company, applying concepts from the class (single-spaced, normal font type, normal font size, normal margins, blah blah blah). As a guideline, you can think of the paper in 3 sections, with a summary/abstract section at the beginning and a conclusion at the end.

- The first section provides a snapshot of the company; a high-level overview
- The second section introduces a specific managerial decision that will be analyzed
- The third section applies this theory to the company, rendering a decision

Although the paper is due on the last day of class, it is strongly suggested to submit an electronic draft (via email, in Word-type format), prior to the second midterm. This will allow you to receive feedback as you prepare the final draft for submission on November 29.

The presentation will be 5-10 minutes in duration, on November 29. It is strongly suggested to use something like PowerPoint, but it is not required.

Other Topics
Assignments and Exams: There will be no make-ups for assignments or exams. You have the schedule. Arrangements may be afforded if you know in advance of a conflict and can document the reason for the conflict. Valid reasons are defined at my discretion.

Respect: You must respect all points of view and opinions of your classmates and anyone involved in the class. The same respect will be given to you.

**WCB Mission**
To educate students of business, enabling them to improve organizations and society, consistent with the Jesuit tradition.
**Academic Integrity:** Anyone suspected of academic dishonesty will be given the opportunity to discuss the situation first with me. If the incident does not come to an acceptable conclusion, the matter will be turned over to the Dean’s Office for further investigation. Any penalty assessed by me is sure to be more lenient than that of the Dean’s office. However, you should not feel the need to ‘cheat’ in this course. Grades are not curved and if you remain engaged with the class, you will know what is expected of you. Please do not jeopardize your academic integrity. If you have questions on the definition of Academic Honesty, please refer to the University Catalog under the heading ‘The Graduate Program’ or come speak with me personally.

**Students Requiring Learning Support Services:** Any student with special learning requirements (such as ADD, extra time needs for exams, etc.) should contact the Learning Assistance Center as soon as possible. I need documentation from them in order to accommodate your needs. You should do this soon since collegiate red tape is often time consuming. Contacting the Learning Assistance Center on the day before an exam is probably insufficient time.

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**Tentative Course Schedule**

- Economist’s View of Behavior Ch. 1-2
- Firm Objectives: Creating and Capturing Value Ch. 8
- Markets: Demand, Supply, and Equilibrium Ch. 3-6
- Monopoly and Pricing Strategies Ch. 6-7
- Price Discrimination Ch. 7
- Imperfect Market Power Ch. 7,9
- Game Theory Ch. 9
- Vertical Integration and Outsourcing Ch. 19
- Incentive Conflicts and the Principal-Agent Problem Ch. 10,15
- Performance Evaluations Ch. 16,17
- Attracting and Retaining Qualified Employees Ch. 14

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