

Syllabus

Managerial Economics - ECN 502, 82918

W.P. Carey MiM Program - Fall 2013

Instructor: Dr. Stefan Ruediger

Office: CPCOM 430D

Telephone: 480-965-5353

Office Hours: M 12:05pm-1:05pm (MCRD 255), T Th 2-3pm (CPCOM 430D) or by appointment

Class: M W 9:15 AM - 12:05 PM – MCRD 256

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Course Description:

Managerial Economics applies the tools from intermediate microeconomics, game theory, and industrial organization in solving managerial problems. This course, more specifically, employs a supply and demand analysis, production and cost analysis, and models of different market structures. Among the core topics are contracting, vertical and horizontal integration, principal-agent problems, and pricing and output strategies.

Instructional Materials:

Textbook: Managerial Economics and Business Strategy, 8e, Michael R. Baye & Jeffrey T. Prince McGraw-Hill Irwin, 2013. (you do need a version of the book, but you are free to choose between the ebook available through Connect, the hardcopy available through the bookstore.

Interactive Homework: Connect from McGraw-Hill

http://connect.mcgraw-hill.com/connect/shortUrl.do?accessUrl=s_ruediger_mim_fall_2013

Lecture Notes: PPT slides will be provided on Blackboard

Additional Materials: additional materials will be provided on Blackboard or during class

Course Objectives:

Students who complete this class will be able to:

- **explain** how to use marginal cost and marginal benefit analysis for profit maximization and **describe** the relationship between these variables marginal cost and marginal benefit;
- **analyze** consumer demand and relate it to firm revenue;
- **apply** quantitative tools to **analyze** demand and cost functions;
- **interpret** results from quantitative demand and cost analysis;
- **analyze** economic data to make recommendations for business decisions;
- **evaluate** strategies for competition and pricing in different markets with different levels of market power.
- **apply** tools of game theory to formulate decisions in strategic environments such as pricing or advertising

Policies:

Check your email at least twice a week for important updates and information about the course; not checking e-mails is not an excuse for missing deadlines and not submitting assignments. Back up all your files for this course; no excuses for missed or late assignments due to hardware and/or software failure will be accepted. Makeup exams will only be provided with proper medical or legal documentation.

Regular participation during class is expected and necessary to succeed in the class. As part of group work, every single student will be expected to regular present results during class.

During weekends (from 6 p.m. on Friday nights till 8:00 am on Monday mornings) I might not always be available to give a quick answer to your email; please, plan accordingly.

When emailing me, please always include the class name and course ID in the email subject line. In general, please follow proper netiquette when writing emails.

Grading:

Three Exams, each	20%
Homework (Connect)	20%
Time-Warner Case-Study Responses (Group Work)	20%
Extra Credit	3%

Grades will be rounded at my discretion. Participation, neatness and professionalism counts!

Percentage	Course Grade
100-95%	A+
94-90%	A
89-85%	A-
84-80%	B+
79-75%	B
74-70%	B-
69-65%	C+
65-60%	C
59-50%	D
<50%	E

Extra Credit - MiM Events

Please prepare a brief write up of the event. The write up should be no longer than 200 words. As part of the write up you should summarize the topic and reflect on the connection between the topic of the talk and a specific topic discussed during class.

Assignments:

Exams: We will have four exams during the semester. Each exam will consist of multiple choice and short answer questions. Exams will be followed by a group assignment.

Homework: We will have one homework assignment for each Chapter covered. All homework assignments will be administered through Connect.

Time-Warner Case-Study Responses (Group Work): The Time-Warner Case Study consists of reading and responding to the Memos at the end of the book. I will assign Memos after the completion of most Chapters. Please get together in groups (group work is mandatory) to work on these memos. Please write responses to the memos and be prepared to present your findings in class. Each report is due at the beginning of the class the follows the completion of the chapter the memos is related to. Further information will be provided in class.

Course Schedule

Dates	Chapters	Topics
Monday, October 21, 2013	Intro + Chapter 1 + TW Case	Fundamentals
Wednesday, October 23, 2013	Chapter 2	Demand and Supply
Monday, October 28, 2013	Chapter 3	Quantitative Demand Analysis
Wednesday, October 30, 2013	Chapter 3	Quantitative Demand Analysis
Monday, November 04, 2013	Chapter 3	Quantitative Demand Analysis
Wednesday, November 06, 2013	Exam 1 and Group Projects	
Monday, November 11, 2013	NO CLASS	
Wednesday, November 13, 2013	Chapter 5 + 6	Production + Organization
Friday, November 15, 2013	Chapter 7	Nature of Industry
Monday, November 18, 2013	Chapter 8	Perfect Competition + Monopolistic Competition
Wednesday, November 20, 2013		
Monday, November 25, 2013	Exam 2 and Group Projects	
Wednesday, November 27, 2013	NO CLASS	
Monday, December 02, 2013	Chapter 8	Monopoly
Wednesday, December 04, 2013	Chapter 11	Pricing
Monday, December 09, 2013	Chapter 10	Game Theory
Wednesday, December 11, 2013	Final Exam	

Disability Accommodations:

Please remember that you must be registered with the Disability Resource Center (DRC) and submit appropriate documentation from the DRC when requesting accommodation for a disability. The University offers several different services for students with Disabilities; for further information please visit <http://www.asu.edu/studentaffairs/ed/drc/>

Absence Policies:

Regular attendance is recommended, but not required for this class.

University-Sanctioned Activities: Accommodations will be made for students who miss class related to university-sanctioned activities according to ACD 304-02. If you are participating in a university-sanctioned activity, please let me know as early in the course as possible so that accommodations can be made.

Religious Accommodations: Accommodations will be made for students with religious holidays. Absences related to religious observances/practices that are in accord with ASU [ACD 304-04](#), "Accommodation for Religious Practices" will be excused. Below is the calendar of official religious holidays. Each holiday noted with two asterisks denotes an observance for which work is not allowed. For these holidays, students will not be penalized in any way for missing an assignment. <https://provost.asu.edu/index.php?q=religious-holiday-calendar>

Academic Integrity and Ethical Behavior:

"All students assume as part of their obligation to the University the responsibility to exhibit in their academic performance the qualities of honesty and integrity. All forms of student dishonesty, including cheating, fabrication, facilitating academic dishonesty and plagiarism are subject to disciplinary action." {Code of Conduct (5-301 through 5-307) and Student Disciplinary Procedures (5-401 through 5-405)}. In this course I will adopt the following policy. All participants involved in any academic dishonesty or attempts at dishonesty pertaining to an examination will result in, at least, the following penalties:

1. Automatic course grade of "E" and
2. A letter of reprimand placed in the student's file with a file copy in the Economics Department and the appropriate College.

Additional information on ASU's academic integrity policy may be found here:

ASU Academic Integrity Policy: <https://provost.asu.edu/academicintegrity/policy>

ASU Provost Academic Integrity site: <https://provost.asu.edu/index.php?q=academicintegrity>

W. P. Carey Academic Integrity site: <https://my.wpcarey.asu.edu/academic-integrity/index.cfm>

Threatening Behavior Policy:

The university takes threatening behavior very seriously and these situations will be handled in accordance with the Student *Services Manual*, SSM 102-02 <http://www.asu.edu/aad/manuals/ssm/ssm104-02.html>.

Copyright Material:

Please remember that the course content, including lectures, are copyrighted material and that you may not sell notes taken during the conduct of the course (see [ACD 304-06](#), "Commercial Note Taking Services" for more information). Of course, you are welcome to share your notes for free with other students currently enrolled in this class.

Information contained within this syllabus (except grading and absence policies) is subject to change.