

Fall 2019

ECON 610-851: Managerial Economics

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New Jersey institute of Technology - NJIT

School of Management

Course Syllabus

Course Name: ECON 610-851 (92590): Managerial Economics

Semester: Fall, 2019.

Dates: Sept. 03, 2019 – Dec. 20, 2019

Professor: DR. AUGUSTINE A. BOAKYE

Email: aboakye@njit.edu

Credit Hours: 3.0

Contact Hours: 0.0

Lecture: Online

Prerequisite: Grade “C” or better in **Principles of Microeconomics** & **College Maths**

Course Description:

This course is to help students and managers recognize how economic forces affect organizations, and describe the economics consequences of managerial behavior. The study is focused on how to direct scarce resources in the way that most efficiently achieves a managerial goal. The course is to help students use economic analysis to support business strategic decisions that promote competitiveness in the dynamic environment of domestic and international market conditions, government regulations, trade policies, and resource availability. Market analysis, consumer behavior, production, cost analysis market structures, economics of information and government in the marketplace are some of the key topics that will be covered in the course.

Course Outcomes:

Upon the successful completion of this course, the student should be able to:

1. Outcome 1: Identify and explain six principles of effective managerial decision making.
2. Outcome 2: Explain how demand and supply forces interact to determine market equilibriums.
3. Outcome 3: Apply elasticity concepts to forecast changes in prices, revenues and outputs.
4. Outcome 4: Illustrate how changes in incomes and prices affect individual's opportunities.
5. Outcome 5: Explain alternatives ways of measuring the productivity of inputs and the role of the manager in the production process.
6. Outcome 6: Describe the principal-agent problem as it relates to owners and managers.
7. Outcome 7: Identify and explain the characteristics of the four market structures.
8. Outcome 8: Demonstrate how profit maximizing price and output are determined.
9. Outcome 9: Explain how beliefs and strategic interaction shape optimal decisions in oligopoly markets.
10. Outcome 10: Demonstrate how oligopolies use game theory as a tool to make decisions within a firm.
11. Outcome 11: Identify and explain pricing strategies of firms that have market powers.
12. Outcome 12: Explain how asymmetric information can lead to moral hazard and adverse selection.
13. Outcome 13: Identify the strategies managers can use to change the business environments in order to enhance the firm's long run profits.
14. Outcome 14: Identify the sources of market failure and explain how government attempts to solve market failure.

Textbook:

Baye, M.R. & Prince, J.T. (2017). **Managerial Economics and Business Strategies** (9ed) -McGraw-Hill Company.

Buy your e-Textbook and the accompanied class resources (**Connect Online Access**) through **Canvas Classroom**. Click on “**LINK to McGraw-Hill Connect**”. **ALL REGISTERED STUDENTS MUST PURCHASE THE CONNECT (with EBOOK) ACCESS TO BE PART OF THIS CLASS. The estimated price is \$105.** If you require a physical copy of the text, you can add on a **Loose Leaf** version at additional cost from within the Connect software. Students who want to buy the textbook outside the Canvasroom Class must buy the book with the CONNECT ACCESS CODE to be able to join this class. **ISBN 9781259354335**

Supplemental Materials (optional):

Farnham, P.G. (2010). **Economics for Managers** (2ed)- Pearson Education.

Keat, P.G.; Young, P.K.Y. & Erfle, S. E. (2011). **Managerial Economics – Economic Tools for Today's Decision Markers** (7ed) - Pearson Education

Wall Street Journal [**Highly recommended supplemental reading**] Also: Online version at <http://online.wsj.com>

LEARNING COMMUNITIES

Students learn through interactions with each other, with the instructor, and with written, auditory, and visual learning materials. To facilitate interactive learning among learners and between learners and faculty, a major goal of this course is to encourage the development of learning communities - that is, to help learners and faculty get to know and better understand each other. Towards this end, the instructor will post a brief written biography introducing herself/himself; this will be available online as a part of the first week of class. Learners are asked to also introduce themselves by posting a brief biography on the Discussion Board - a picture is also recommended. Finally, the instructor will set up Student Groups for Team Project discussions.

DISCUSSION

The business model of today is for persons to work as teams. To prepare for such activities, all learners are asked to participate in online discussions.

One discussion question, worth 10 points, is included for each week. In all formal discussions, you are to first read the question carefully, post an answer to the question (**by Wednesday of the week**), read the responses of your classmates, and then post replies to your classmates (**by Saturday of the week**). Learners who participate in discussions are likely to experience a higher level of learning and retention of the information contained in the course. To encourage your active participation in the course, you will receive credit for your contributions to the discussions.

Your discussion grade will be based upon the thoroughness, accuracy, and insightfulness of your responses. You will also be graded based upon your use of correct spelling and grammar and correct sentence and paragraph format (ALWAYS spell check your responses) and the number and depth of your responses to other student posts.

Example of a discussion question:

Find the price of something in the 1950s--a house, car, gasoline, or something else that interests you. Note the item, the price, and the year. Compare it to the cost of the same item today. Are you surprised by the price difference?

Post your response on the Discussion Board. Add support for your discussion by citing external references; be sure to list each URL. Then read and respond to the posts of your classmates.

Chapter	Lessons (Topics)
1	The Fundamentals of Managerial Economics
2	Market Forces: Demand and Supply
3	Quantitative Demand Analysis
4	The Theory of Individual Behavior
5	The Production Process and Costs
6	The Organization of the Firm
7	The Nature of Industry
8	Managing in Competitive, Monopolistic, and Monopolistically Competitive Markets
9	Basic Oligopoly Models
10	Game Theory: Inside Oligopoly
11	Pricing Strategies for Firms with Market Power
12	The Economics of Information
13	Advanced Topics in Business Strategy
14	A Manager's Guide to Government in the Marketplace

Course Requirements & Policies: All students are required to:

1. Maintain regular attendance by logging into the course home as many times as possible per week.
2. Carefully review lessons and actively participate in discussions in the *Canvas Room*.
3. Read the recommended textbook and continuously explore other related resource materials in the *Connect platform*.
4. Complete all assigned Learn Smarts, Quizzes, Midterm and Final exams on time in the *Connect platform*.

Academic Integrity: Dishonesty disrupts the search for truth that is inherent in the learning process and so devalues the purpose and the mission of the Institution. Academic dishonesty includes, but is not limited to, the following:

- plagiarism – the failure to acknowledge another writer’s words or ideas or to give proper credit to sources of information;
- cheating – knowingly obtaining or giving unauthorized information on any test/exam or any other academic assignment;
- interference – any interruption of the academic process that prevents others from the proper engagement in learning or teaching; and
- Fraud – any act or instance of willful deceit or trickery.

Violations of academic integrity will be dealt with by imposing appropriate sanctions. Sanctions for acts of academic dishonesty could include the resubmission of an assignment, failure of the test/exam, failure in the course, probation, suspension from the University, and even expulsion from the University.

Methods of Evaluation: Final course grades will be computed as follows:

Evaluation Categories	
Grade Items	Grade Points 100% = 1000 points
Quizzes (14 X 20 points each) - in Connect	28% = 280 points
Learn Smart (14 X 20 points each) - in Connect	28% = 280 points
Term Paper (Written Assignment)	10% = 100 points
Discussion (14 X 10 points)	14% = 140 points
MIDTERM EXAMS	10% = 100 points
FINAL EXAMS	10% = 100 points
Total	100% = 1000 points
Grading Scale	
90 - 100	A
85 - 89	B+
80 - 84	B
75-79	C+
70-74	C
60-69	D
59 and below	F

NJIT policy requires that all midterm and final exams must be proctored, regardless of delivery mode, in order to increase academic integrity. **Note that this does not apply to essays or authentic based assessments.** Effective beginning the Fall 2019 semester, students registered for a fully online course section (e.g., online or Hyflex mode) must be given the option to take their exam in a completely online format, with appropriate proctoring. This course will use ProctorU

ProctorU: a live online proctoring service that verifies a student’s identity by asking the student to show an ID before taking the exam. The student then completes the exam while being proctoring live.

This online proctoring tool requires digitized exams that are deployed through Canvas. This online proctoring tool will ensure that the student taking the exam is indeed the student registered for the course and that the student taking the exam adheres to the rules set forth for the exam (e.g., no calculators/devices, closed book/notes, etc.). These methods/tools do not incur any additional cost for the student.

What I hear, I forget; what I see, I remember and what I do, I understand