

ECO 610-401
Managerial Economics

Instructor: Professor John Garen
Office: 304D Mathews
Hours: Tu 4:45 -5:45 and by appointment
Phone: 257-3581
e-mail: jgaren@uky.edu

Fall 2014
6:00 - 8:30 Tu
BE 305

Website: <http://gaton.uky.edu/Faculty/garen/index.html>

Preliminaries

This course applies economic analysis to managerial decision making for many business problems. Important concepts and ideas from basic economics that have particular relevance are discussed and applied. The economic viewpoint regarding a wide variety of business-related issues are presented, including: the analysis of markets, marketing, costs and firm production, supply chain and outsourcing, pricing and other competitive strategies, human resource management, and organizational structure.

Course Materials

Text: Froeb, Luke; McCann, Brian; Shor, Mikhael; and Ward, Michael, *Managerial Economics: A Problem Solving Approach*, South-Western Cengage, 3rd Edition, 2014. Students may purchase the ebook, the hardcover, or electronic copies of the assigned chapters (which are chapters 1-9, 13, 14, 15, 21, 22). See <http://www.cengagebrain.com/shop/isbn/9781133951483>.

Assorted supplemental readings also will be assigned and provided.

Exams and Grades

Exams: Two midterms and one final exam will be given. Each exam covers approximately one-third of the course and covers material from the lecture and the assigned readings. Exams consist of essay and problem solving questions. Each exam counts for 20% of your grade.

Homework: Several homework assignments will be given throughout the term. Collectively, these count for 20% of your grade.

Mini Case Studies: Each student is responsible for writing a 2 to 3 page analysis of a business problem or example illustrating topics covered in class. A total of two are assigned. The due dates for these are the following. 1st assignment: Tuesday, October 28. 2nd assignment: Tuesday, December 2. These collectively count 20% of your grade.

In summary:

<u>Task</u>	<u>Pct. of Grade</u>
First midterm	20%
Second midterm	20%
Final exam	20%
Homework	20%
Mini Case Studies	20%

Grades are assigned depending on your performance on the above. In determining your grade, I follow the University rules regarding the marking system (see UK publication *Student Rights and Responsibilities*). It is the following (with slight paraphrasing).

- A: Represents exceptionally high achievement.
- B: Represents high achievement.
- C: Represents average achievement.
- D: not used for graduate students
- E: Represents unsatisfactory performance and indicates failure in the course.

Other Matters

Absences and Attendance

Attendance is critical to your success in class. However, I have no explicit attendance policy for regular class meetings or for your grade. If you miss a regular class meeting, it is your responsibility to obtain notes and other material from that class period.

Make-up Exams

Students who have a University-excused absence for missing an exam or quiz may take a make-up. Arrangements for a make-up must be made with the instructor as soon as the student knows that absence will occur or as soon as possible if prior notification is impossible. Students may be asked to verify their absences in order for them to be considered excused. Make-ups will be scheduled at a time mutually convenient for the student and the instructor. The same policies apply to University-excused absences regarding religious observance.

Make-up Homework

Make-up for missed homework is allowed only in extraordinary circumstances. Because homework is assigned well in advance of its due date, a University-excused absence on the due date is not sufficient to merit make-up work for the homework.

Academic Integrity

Per university policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism. Complete information is at the following website: <http://www.uky.edu/Ombud>.

Accommodations Due to Disability

If you have a documented disability that requires academic accommodations, please see me as soon as possible. I may require an official Letter of Accommodation from the Disability Resource Center.

General Course Outline and Readings

<u>Week of:</u>	<u>Topics</u>	<u>Textbook Readings</u>
9/2	Economics and Why It Matters for Management; The Basics of Markets	Ch. 1; Ch. 2
9/9	The Basics of Markets (cont'd); Supply and Demand	Ch. 2 (cont'd.); Ch. 8
9/16	Using Supply and Demand Market to Understand Your Market; Cost, Profit, and Decision Making	Ch. 8 (cont'd.); Ch. 3
9/23	Cost, Profit, and Decision Making; Marginal Analysis	Ch. 3 (cont'd); Ch. 4
9/30	Economies of Scale and Scope	Ch. 7
10/7	FIRST MIDTERM	
10/14	Make or Buy: The Supply Chain	Ch. 5, pp. 50-52; Class supplements
10/21	Make or Buy (cont'd.); Incentives and Human Resource Management	Ch. 21, pp. 246-247; Ch. 1, pp. 6-8
10/28	Incentives and HR Management (cont'd); Designing an Organization I: Decision Authority	Class supplements; Ch. 22, pp. 262-264; Ch. 21, pp. 247-252.
11/4	Designing an Organization II: Divisions and Divisional Incentives	Ch. 22, pp.257-262.
11/11	SECOND MIDTERM	
11/18	Demand, Revenue, and Pricing; Competition and Markets in the Long Run	Ch. 6; Ch. 9
11/25	Complex Pricing I; Complex Pricing II	Ch. 13; Ch. 14
12/2	Complex Pricing II (cont'd.); Strategy and Game Theory I	Ch. 14 (cont'd.); Ch. 15
12/9	Strategy and Game Theory II	Ch. 15 (cont'd.)
12/16, Tues.	FINAL EXAM, 6:00 pm	--