

SYLLABUS

ECON 3310: Managerial Economics (CRN 21975), Spring 2020

General Information

Time and Location: MW 10:30-11:50 AM, BUSN-313

Instructor: Dr. Xiaojin (Aaron) Sun Office: BUSN-237

Email: xsun3@utep.edu

Office Hours: W 2:00-4:00 PM & by appointment

Course Overview

Managerial Economics focuses on microeconomic analysis and its application to business decision making. This course provides students with the tools from intermediate microeconomics, game theory, and industrial organization that they need to make sound managerial decisions. We start with the analysis of basic economic tools such as present value analysis, demand and supply, elasticity, production and costs, and regression analysis. We then move forward to the models of perfect competition, monopoly, and monopolistic competition, oligopoly models and game theory, and a variety of pricing strategies for firms with market power. Prerequisite: ECON 2304.

Course Objectives

Upon completion of this course, students should be able to: demonstrate knowledge of optimization techniques and its application to business decision making; understand the forces of demand and supply that establish prices and quantities observed in the marketplace; apply regression tools (e.g., estimation and hypothesis testing) to the analysis of real business problems; conduct production and cost analysis as a means for understanding the economics of resource allocation; analyze price strategies used by firms in the marketplace under a variety of demand and cost conditions; understand market structures (e.g., perfect competition, monopoly, monopolistic competition, and oligopoly) and the effect of market structure on optimal behavior of firms; and model strategic interactions between firms using tools of game theory.

Textbook

- *Managerial Economics and Business Strategy* by Michael R. Baye and Jeffrey T. Prince, 9th Edition, McGraw-Hill. ISBN10: 1259290611.

Class Policies

- **Campus Carry:** Persons who hold a Concealed Handgun License can lawfully carry their gun into a UTEP classroom as long as it remains concealed. Open carry remains prohibited on campus. Should you feel someone is intentionally displaying a gun (or any other weapon for that matter), do not hesitate to call Campus Police (X 5611) or 9-1-1. For more information on campus carry, see <http://sa.utep.edu/campuscarry/>; for more information on overall campus safety, see <http://admin.utep.edu/emergency>.
- **University Policy:** See undergraduate catalog at catalog.utep.edu/undergrad/academic-regulations/curriculum-and-classroom-policies. Students are expected to read and understand the catalog thoroughly. Below are some important quotes from the catalog:
 - “The student is expected to attend all classes and laboratory sessions.”
 - “When, in the judgment of the instructor, a student has been absent to such a degree as to impair his or her status relative to credit for the course, the instructor can drop the student from the class with a grade of W before the course drop deadline and with a grade of F after the course drop deadline.”
 - “Excused Absences for University-Recognized Activities: Students who will be absent while representing the University in officially recognized University activities (sports, band, professional conferences, etc.) must notify the Dean of Students not less than ten (10) days prior to the absence. The Dean of Students will provide the student with a letter of excuse for the professors. It is the student’s responsibility to give the letter to the professors prior to the official recognized activity. Students following these procedures will be permitted to make up both assignments and examinations in consultation with faculty.”
 - “Absence from Examinations: A student absent from a test during the semester is graded zero (0) unless another policy is set by the instructor.”
- **Professor Policy:**
 - The professor only provides makeup assignments/exams for university excused absences or medical/family emergencies provided to the professor in advance. In case of medical/family emergencies, students need to provide documentation such as a letter from the doctor. All makeups will take place at a time determined by the professor.

- The professor reserves the right to decide the seating arrangement of students in an exam. The professor can ask any student to move to and/or vacate a particular seat, without having to offer any reason. All students are expected to comply.
- The professor will not attend to any emails or visits begging for grade changes.
- The professor makes announcements and sends emails via Blackboard. Students are expected to check the announcements and their email accounts on a daily basis.
- **Exams:** Students are expected to arrive in class on time for exams. Nothing other than pencils, erasers, calculators, and scantrons will be allowed during exams.
- **Lectures:** ~~In order to induce students to come to class more prepared, lecture notes will not necessarily be posted before class. It is students' responsibility to come to class prepared ready to participate. This means read the material before coming to class. Lecture notes will be posted to Blackboard right after each chapter is finished. Students are expected to arrive in class on time so that other students won't be interrupted.~~ **Classes will be moved online for the rest of the semester. Lecture notes will be posted beforehand together with chapter-to-chapter study guidelines. Students are expected to read the lecture notes and study guidelines before each class. I will be available via Blackboard Collaborate Ultra to answer your questions during our regular class meeting times, namely 10:30-11:50am Mountain Standard Time, Mondays and Wednesdays.**
- **Once you log into Blackboard, you will see a link called "Online class meetings." Please join the course room using your official name as shown on your profile.**
- **Communication:** During the semester students are welcomed to communicate with the professor via email. Please always put "ECON 3310 + your full name" in the subject line if you want the professor to read and respond your message in a timely fashion. The professor will not reply any email that does not come with a student name.
- **Getting Help:** Please feel free to make an appointment with the professor to ask questions or discuss the course material in more detail. If you are struggling, please do not wait until it is too late to get help. If at any time you have a suggestion as to how the class could be improved, please feel free to discuss this with the professor. Such feedback would be highly appreciated.

Grading

- **Homework (30%)**

Three homework assignments (10% each) covering the concepts taught in class will be given throughout the semester. Assignments will be collected at the beginning of class on the due date. *No late assignments will be accepted.* **The second and third homework assignments will be given on Blackboard. Each homework will be split into several parts with one part assigned after each class.**

- **Exams (45%)**

Three in-class midterm exams (15% each) and an optional final exam will be given throughout the semester. ~~You will be required to bring your own scantrons.~~ The tentative exam dates are:

Exam 1: ~~Monday, February 24th~~ **March 2nd**, in class

Exam 2: ~~Monday, April 6th, in class~~ **April 13th, on Blackboard**

Exam 3: ~~Wednesday, May 6th, in class~~ **May 6th, on Blackboard**

These dates are subject to change. Changes, if necessary, will be announced via email.

The second and third midterm exams will be given on Blackboard. 80 minutes are allowed for each. In case some students might not have access to internet during a certain period of time, you can choose to take the exam over any 80-min interval between 9:00am and 1:00pm on the exam day. Once you start, you have to finish it all at once.

You will have the option to use the score on a *comprehensive* final exam to replace your lowest semester exam score, even if it is lower. In this way, the optional final exam can help or hurt your grade. The final exam will be held during the university assigned final exam slot, which is 10:00am - 12:45pm, Friday, May 15th. **This optional comprehensive final exam will be given on Blackboard.**

- **Case Study (25%)**

The case-study method is a useful pedagogy for applying managerial economics to real business scenarios. The Time Warner Cable case provided at the end of the textbook includes a variety of memos. ~~Students will be divided into groups of 3-4. Each group is expected to choose three memos and use the information provided along with the knowledge acquired in class to identify key issues and to guide your recommendations and decisions. Near the end of the semester, each group needs to turn in a 4-page report. A more detailed instruction will be provided later in class.~~ **To avoid any inconvenience**

that might be caused by online communication, this group project will be changed to individual project. Each student is expected to choose just one memo among memos 1, 2, 4, 6, and 11, and use the information provided along with the knowledge acquired in class to identify key issues and to guide your recommendations and decisions. A 2-page report is due on Friday, May 15th. The case study will be given as a homework assignment on Blackboard where a more detailed instruction will be provided and made available to students by April 13th.

- **No Curve**

There will be NO curve for this class.

- **Grading Scale**

90+=A, 80-89=B, 70-79=C, 60-69=D, 59 and below=F.

Tentative Course Schedule

We will cover the most important part of the book in this class (Chs. 1-3, 5, 8-11 ~~8-10~~). However, some topics that are presented in the book will be omitted and some topics that are not in the book will be added. If a topic is not discussed in class, you do not need to know about it for the exams. In order for you to be better prepared, a math review will be provided.

Math Review (2 lectures)

Chapter 1 The Fundamentals of Managerial Economics (2 lectures)

Chapter 2 Market Forces: Demand and Supply (2 lectures)

Chapter 3 Quantitative Demand Analysis (3 lectures)

Exam 1 Chapters 1, 2, and 3

Chapter 5 The Production Process and Costs (3 lectures)

Chapter 8 Managing in Competitive, Monopolistic, and Monopolistically Competitive Markets (3 lectures)

Chapter 9 ~~Basic Oligopoly Models~~ (3 lectures)

Exam 2 ~~Chapters 5, 8, and 9~~ **Chapters 5 and 8**

Chapter 9 Basic Oligopoly Models (3 lectures)

Chapter 10 Game Theory: Inside Oligopoly (3 lectures)

Chapter 11 Pricing Strategies for Firms with Market Power (3 lectures)

Exam 3 Chapters 10 and 11 **Chapters 9 and 10**

Academic Integrity

The University of Texas at El Paso prides itself on its standards of academic excellence. In all matters of intellectual pursuit, UTEP faculty and students must strive to achieve excellence based on the quality of work produced by the individual. In the classroom and in all other academic activities, students are expected to uphold the highest standards of academic integrity. Any form of academic dishonesty is an affront to the pursuit of knowledge and jeopardizes the quality of the degree awarded to all graduates of UTEP. It is imperative, therefore, that the members of this academic community understand the regulations pertaining to academic integrity and that all faculty insist on adherence to these standards.

Any student who commits an act of academic dishonesty is subject to discipline. Academic dishonesty includes, and is not limited to cheating, plagiarism, collusion, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, and any act designed to give unfair advantage to a student or the attempt to commit such acts. Proven violations of the detailed regulations, as printed in the Handbook of Operating Procedures (HOP), and available in the Office of Student Life and on the homepage of the Office of Student Life at www.utep.edu/dos, can result in sanctions ranging from disciplinary probation, to a failing grade on the work in question, to a failing grade in the course, to suspension or dismissal, among others.

Disabilities Statement

I will make any reasonable accommodations for students with limitations due to disabilities, including learning disabilities. Please see me personally before or after class in the first two weeks or make an appointment, to discuss any special needs you might have. If you have a documented disability and require specific accommodations, you will need to contact the Disabled Student Services Office in the East Union Building, Room 106 within the first two weeks of classes. The Disabled Student Services Office can also be reached in the following ways:

Web: <http://www.utep.edu/dsso>

Phone: (915) 747-5148

E-Mail: dss@utep.edu