

Managerial Economics
MGMT 504-02
Robert O. Anderson School of Business
The University of New Mexico
Spring 2016

Instructor: Carlos Rey Romero
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Office Location: 1805 Sigma Chi Rd, NE
Office Hours: By Appointment (contact: arleneb@unm.edu or 277-5358)
Lecture Times: Wednesday; 4:00 pm – 6:30 pm
Lecture Location: Dane Smith Hall, Room 129

Required Class Materials:

Textbook: Managerial Economics and Business Strategy, Baye, 8th Edition, McGraw-Hill
 15 Week Subscription to the Wall Street Journal

Recommended Class Materials:

Calculator

Course Content

The students will be introduced to management insight and decision making processes based on the use of economic principles, concepts and models. The course deals with the general economic principles (markets, demand & supply, scarcity, elasticity, cost, market organization) and uses these to understand the complex individual, local and global business environment of modern day business life. The course will focus on creating insights and understanding economic patterns and processes, rather than economic calculations.

Learning Outcomes	
Outcome	Expectation
1. Students understand how market forces affect price and quantity.	Students can utilize basic supply and demand analysis (graphical and quantitative) to predict the likely impact of events on the price and quantity sold of any product.
2. Students understand elasticity and its relationship to pricing and revenue.	Students can both calculate elasticity and estimate elasticity empirically. Given the result the student can correct predict the effect of a given change in price on revenue.
3. Students can utilize statistical analysis to assess product demand conditions	Students can take provided data and correctly estimate a demand function, determine the statistical significance, calculate the product elasticity (price, cross, and income) and infer the implications of that information to market demand conditions. Students can also learn how to measure risk and uncertainty, and then incorporate these measures into their business decision making.
4. Students can utilize industry analysis to assess market position	Students can identify which of the four primary market structures most appropriately correlates to an industry. The student can draw inferences regarding firm behavior and performance.

	<p>Students can identify the Oligopolistic model that best describes the behavior of an Oligopolistic industry.</p> <p>Students can use basic game theoretic analysis to describe the behavior of firms in an Oligopolistic industry.</p> <p>Students can also utilize the Five-force model to assess market potential and gain draw inference regarding firm behavior and potential performance.</p>
<p>General Skills – expected of students</p> <ul style="list-style-type: none"> • Listening skills. • Writing skills. • Presentation skills. • Team working skills. • Multicultural skills. 	
<p>Note: APA style for citations in all papers is expected in all writing.</p>	

Students will be taken from the level of ‘watching’ economic behavior to ‘seeing’ and understanding the underlying structures and processes, enhancing their managerial decision- making skills. Students will be required to think, decide, and act as managers, following their understanding of economics. Fully interactive class discussions as well as class role-plays will help students to ‘live through’ the daily practice of managerial decision-making and help students to appreciate the various perspectives of managerial economics in real life. In addition, the course program will familiarize the students with how to search for, and how to use the knowledge of academic publications, papers, and books, helping students to develop a 360 degree perspective.

Class Schedule

Week of	Reading	Lecture	Testing	Assignment(s)	Note(s)
January 18 th	Chapters 1 & 2			Student Survey	NO CLASS
January 25 th	Chapter 3	Ch. 1 & 2		Handout, WSJ	
February 1 st	Selected Readings	Ch. 3		Handout, WSJ	
February 8 th	Chapter 5	Readings, Ch 5		Handout, WSJ	
February 15 th	Chapter 6	Ch. 6	Exam 1 (1-3)		Take Home
February 22 nd	Chapter 7	Ch. 7		Handout, WSJ	
February 29 th	Selected Readings	Readings		Handout, WSJ	
March 7 th			Exam 2		
March 14 th		SPRING BREAK, NO CLASS			
March 21 st	Chapter 8	Chapter 8		Handout, WSJ	
March 28 th	Chapter 10	Chapter 10		Handout, WSJ	
April 4 th	Selected Readings	Readings		Handout, WSJ	
April 11 th			Exam 3		
April 18 th	Chapter 11			Handout, WSJ	
April 25 th	Chapter 13			Handout, WSJ	
May 2 nd	Selected Readings			Handout, WSJ	
May 9 th			Exam 4		May 11, 2016 5:30-7:30 p.m.

Grading

Measure	Points Total (1,000)	Percentage
Examination ¹ (4)	150 points each x 4 = 600	60.0%
Assignments	11 points each x 22 = 242	24.2%
Class Participation	158 points total	15.8%
A+: 96% and above A: 90–95.99% B+: 86 – 89.99% B: 80 – 85.99%		C+: 76 – 79.99% C: 70 – 75.99% D+: 66 – 69.99% D: 60 – 65.99% F: Less than 60%
Note: The instructor may give an opportunity to earn extra points during the semester.		

Expectations for Academic Conduct/Plagiarism Policy

Expectations I have three main expectations of students:

I expect that you come to class prepared. MBA graduates are expected to speak intelligently about business situations. I will cold-call you in class to give you practice with extemporaneous speaking.

I expect that you remain engaged and treat others with respect. When your fellow students are speaking, I expect you to be paying attention to them. When I am speaking, I expect you to be paying attention to me. Specifically, this means that the use of phones, tablets or laptops is forbidden.

I expect that you understand and uphold the University of New Mexico's Code of Student Rights and Responsibilities.

The University of New Mexico believes that academic honesty is a foundation principle for personal and academic development. All University policies regarding academic honesty apply to this course. Academic dishonesty includes, but is not limited to, cheating or copying, plagiarism (claiming credit for the words or works of another from any type of source such as print,

Internet or electronic database, or failing to cite the source), fabricating information or citations, facilitating acts of academic dishonesty by others, having unauthorized possession of examinations, submitting work of another person or work previously used without informing the instructor, or tampering with the academic work of other students. The University's full statement on academic honesty and the consequences for failure to comply is available in the college catalog and in the *Pathfinder*.

Expectations for Classroom Conduct (Participation)

Class Participation Attendance, preparation, and participation are essential in this class. Obviously, you cannot participate if you are not present, so absences will lead to a reduced participation grade. Learning opportunities are maximized when all students are actively engaged in class discussion. Active engagement means that you are listening carefully to the comments of other students and seeking opportunities to make comments that move the class discussion forward. Your participation

¹ Examination may either be tests or projects. Some will be in class others take home

grade will be assigned at the end of the course based on my assessment of your contributions throughout the quarter (I will make notes to facilitate my recollection.) Class participation will be assessed based on the following:

- Relevance: Are your comments related to the questions at hand?
- Advancement: Does your comment move the class discussion forward?
- Support: Have you presented well supported arguments?
- Logic: Is your reasoning consistent and logical?

The purpose of the above list is not to discourage you from participating. Rather, the points are intended to push you to present full and complete thoughts. Do not feel compelled to speak incessantly, filibuster, etc.

Cell Phones and Technology

As a matter of courtesy, please turn off cell phones, pagers, and other communication and entertainment devices prior to the beginning of class. Notify me in advance if you are monitoring an emergency, for which cell phone ringers should be switched to vibrate. Use of tablets and laptops are allowable as long as they do not interfere with the educational process. The instructor reserves the right to ask students not to use tablets or laptops if they become a distraction in class.

Library and Tutorial Services

UNM-Main campus provides many library services and some tutorial services for distance students. For library services, go to <http://www.unm.edu/libraries/> to link to a specific library or to contact a librarian. For tutorial services, go to <http://caps.unm.edu/> online to explore UNM's online services.

Accommodation Statement

Accessibility Services (Mesa Vista Hall 2021, 277-3506) provides academic support to students who have disabilities. If you think you need alternative accessible formats for undertaking and completing coursework, you should contact this service right away to assure your needs are met in a timely manner. If you need local assistance in contacting Accessibility Services, see the Bachelor and Graduate Programs office.