

# College of Business

Tennessee State University

**Semester and Year: Fall 2012**  
**Course Syllabus**

## **LOCATOR INFORMATION:**

Course Name: **Econ 6110: Managerial Economics (MBA CORE Course)**

Credit Hours: 3

Contact Hours: 45

## **INSTRUCTOR:**

Name : Dr. Soumen N. Ghosh

Office: K 417

Phone: 615-963-7172

E-mail: sghosh@tnstate.edu

Office Hours: M/W: 3.0 – 5.0 PM and by appointment

**Required Text Book and Other Materials:** Text Book Managerial Economics; Applications, Strategy and Tactics; McGuigan, Moyer and Harris; Thompson, Southwestern Press; 12<sup>TH</sup> EDITION. REQUIRED. SPSS will be used; Subscription to Wall Street Journal will be helpful.

**COURSE DESCRIPTION:** The purpose of this course is to develop a basic understanding of the principles of economics that play important role in managerial decisions and day-to-day management practices. In an environment of ever-increasing global businesses managers need to constantly update and upgrade their tools of analysis. Managerial economics is a prime example of that. Economic decisions that were profitable a few years ago may not benefit the bottom line in today's business environment. New decision making tools need to be applied. On the same vein business ethics play an important role. Enron saga is not a good example for any business in the long run. Proper business ethics as well as flexible decision making approaches are emerging as vehicles for success. Specifically, this course is directed towards: (1) applying the microeconomic theory, and various applied tools, particularly quantitative techniques that are used in modern managerial decision-making. The course curriculum draws heavily from microeconomic theory, basic calculus, statistics, and elementary econometrics.

**COURSE OBJECTIVES:**

- The course objective is to prepare the students with a basic problem solving skill that is used in modern managerial decision making.
- Upon completion of the course the students are expected to learn how economic theory and the quantitative tools of analyses apply to modern business practices and managerial decisions.

**ACADEMIC INTEGRITY:**

Academic honesty and integrity lie at the heart of any educational enterprise. Students are expected to do their own work and neither to give nor to receive assistance during quizzes and examinations. Deliberate violations of academic integrity (plagiarism, cheating, and misrepresentation, of information) and fabrication are not tolerated. Actions outlined in the Tennessee State University Student Handbook under Code of Student Conduct will be followed for incidents of academic misconduct.

**REASONABLE ACCOMODATIONS:**

Any students requiring accommodations should contact Patricia Scudder, Director of Students with Disabilities-Disabled Student Services Office, at 963-7400, preferably before the fourth class meeting. The College of Business, in conjunction with the Office of Disabled Student Services, makes reasonable accommodations for qualified students with medically documented disabilities. I need to be aware of your status if it will affect your class activities and assignments---before assignments are due.

**CODE OF STUDENT CONDUCT:**

There will be no eating, drinking, sleeping or disruptive behavior in the classroom. Each student is encouraged participating in classroom activities, asking questions, and working along with the class as recommendations/problem solutions to illustrations, examples, and cases are examined. Additionally, cell phones must be turned off upon entering the classroom and should remain so until class has ended. Action will be taken against those students who do not adhere to appropriate classroom behavior.

**ATTENDANCE& LATE WORK:****TEACHINGSTRATEGIES:**

Lecture, class discussions, computer and written assignments

Both graphical and mathematical methods, especially calculus and statistical techniques will be used. Some class time will be devoted to review optimization, linear algebra, some elementary econometric techniques. Students who are weak in calculus may benefit from extra effort. Case studies will be intensively used; however, problem solving skills are crucial. Class participation is a must. There will be in-class activities, and students are expected to present impromptu.

**Prerequisite:**

Students are expected to have some basic knowledge of algebra, calculus, and some statistics.

## ASSIGNMENTS& EVALUATION CRITERIA:

The final grade will be based on two mid-term exams (25% each) and a **term paper/research project** (25%). There will be 4 or 5 assignments (in-class; and out-of class). The assignments (all combined) will make up for 25 % of the grade.

## GRADING SCALE:

The grading scale will be: 90-100 = A; 80-89 = B; 70-79 = C etc. The project/term paper will have to be typed, all computer printouts (if any) need to be enclosed.

## Tentative Course Schedule/Topics: (Wednesday: 5.30- 8.30 PM)

Week 1	<ul style="list-style-type: none"><li>- What is managerial economics?</li><li>- Review of some Calculus</li><li>- The concept of optimization</li><li>- Profit maximization (one variable case)</li><li>- Partial derivatives (more than one variable case)</li><li>- Cost minimization</li><li>- Multiple variable optimization</li></ul> <b>(Ref: Chapter 2A from the Txt, and supplemental materials)</b>
Week 2:	Continuation with multi-variable Optimization Applications
	<ul style="list-style-type: none"><li>- Demand Analysis</li><li>- Various elements of Demand</li><li>- International trade and Demand</li><li>- Indifference Curve Analysis and Role of Budget Constraint</li><li>- Measuring the Value of Apple I pod (A Case)</li></ul> Estimation of Demand Function; and Prediction Including Time-Series Analysis <b>(Ref: Chapters 3, 4, &amp; 5 plus supplemental materials)</b>
Week 3	Continuation with Estimation of Demand <ul style="list-style-type: none"><li>■ Problems in various Estimation Techniques</li><li>■ Problems and necessary correction in Multiple Linear Regression techniques</li><li>■ Class Project discussed:</li><li>■ Outline for presentation</li></ul> <b>(Ref: Chapters 3, 4, &amp; 5 plus supplemental materials)</b>
Week 4	Class Presentation of Estimation of Demand Project
Week 5	Analysis of US's Export-Import performance <ul style="list-style-type: none"><li>■ Introductory lecture on international trade theory</li><li>■ Comparative Advantage</li><li>■ Currency Exchange</li><li>■ Purchasing Power Parity</li><li>■ Assignment for Next class Presentation</li></ul> <b>(Chapters 6 &amp; 6A)</b>
Week 6:	Class Presentation on International Trade: i.e., Analysis of Export – Import and balance of Trade data for selected countries

Week 7:	<b>Mid-Term Exam: In Class</b>
Week 8:	Production and Cost Production Function Total Factor Productivity Returns to Scale Cost Functions Applications of Cost Theory In-Class Assignment  <b>(Ref: Chapters 7-9 plus Handout )</b>
Week 9: 11	Continuation of Applications of cost <b>Price and Output decisions UNDER DIFFERENT MARKET STRUCTURES:</b> <ol style="list-style-type: none"> <li>a. <b>Competitive Market Decision-theoretic Analyses (chapter 10)</b></li> <li>b. <b>MONOPOLISTIC COMPETITION</b></li> <li>c. <b>Monopoly</b></li> <li>d.</li> <li>e. <b>DOMINANT FIRM RULE</b></li> <li>f. <b>MONOPOLY AND PRICE DISCRIMINATION</b></li> <li>g. <b>Oligopoly and Game theoretic analysis</b></li> </ol> In Class Assignments
Week 12-13	Case Analyses Class Presentation of Case Analyses
Week 14-15	Take Home Exam Final Class Presentation of Research Report and submission of the written paper  (NOTE; THE RESEARCH REPORT/TERM PAPER WILL BE USED FOR ASSESSMENT OF LEARNING)