

Managerial Economics (ECON 414- WEB)
Fall 2017

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Course Description

Description

Managerial economics is the study of choice behavior on the part of individual consumers and firms, with particular emphasis on decisions made by managers. This course is designed to present a logical and coherent framework in which to analyze managerial-level phenomena. Upon completion, students should be able to understand and illustrate economic analytic tools, particularly from the context of designing and implementing management strategies. In this course, we use more advanced mathematical models to understand some of the microeconomic concepts learned in the principles courses, but applied to managerial problems and strategies. By the end of the course, students should be able to:

- Use the rational-actor paradigm to predict firm and individual behavior.
- Compute the relevant costs of any decision.
- Use marginal analysis to understand the making of extent (i.e. how much) decisions.
- Understand investment decisions that increase firm value.
- Know about optimal prices.
- Know industry-level changes using demand/supply analysis.

This WEB course is a self-guided course that consists of a series of readings, homework, quizzes, and tests. Below are some important aspects that students must consider prior to beginning the Online Managerial Economics course.

- Managerial Economics uses algebra to formalize many of the graphical and narrative models discussed in principles courses.
- Students must be aware that mathematical computations will be required.
- Students are expected to know basic algebraic operations.
- Students with weaker math backgrounds are expected to find other online resources to get caught up with the required algebra.
 - Although most managerial textbooks include sections explaining how to solve the problem using calculus, calculus will not be required. Students may skip all of these sections.

- The use of calculus is usually introduced because derivatives can be directly applied to the concept of “*Marginal*”, one of the most important concepts in economic analysis. However, note that a derivative is nothing but the *slope* of a curve. As such, if you ever encounter such term during the course, remember that it is simply referring to the slope.
- Like any other online course, this course requires students to stay on top of the materials covered. Self-discipline is key to success.
 - On average, the course will cover one chapter per week -some longer chapters will take longer.
 - Each chapter is accompanied by one homework and one quiz. This means students will have something due every week.
 - There is a limited amount of time to finish a chapter reading, its corresponding homework, and corresponding quiz.
 - It is important that students start reading the chapter as soon as it is available online. Waiting until the last day will leave students with a limited time to complete the homework and quiz.
 - The homework and quiz are open (i.e. available) for the whole week (see schedule of assignments below). Students can start them at any time during that period, but the sooner the better. Given this length, no late assignments will be accepted; not even for partial credit.
 - Most of the knowledge comes from chapter reading. Although there are some videos that help explain some of the graphs in the textbook, the majority of learning comes from your assigned readings. The more time you allow for reading, the more time you will have to fully understand the content, and the more time you will have to complete the homework/quiz.
- Online learning substitutes readings for lectures. This self-guided type of learning requires a lot of practice. The homework assignments will reflect this need. As such, each homework will require a substantive amount of time. Students should be ready to invest that time.

Prerequisites

ECON 202, 203, and 206.

Materials

Required Textbook: This course uses the following textbook and companion materials

Title Managerial Economics and Strategy
Authors Jeffrey M. Perloff and James A. Brander
ISBN 0134472764
ISBN-13 9780134472768
Bookstore Link <http://www.facultybookshelf.org/course/9140>

The publisher provides two options:

1. Managerial Economics and Strategy, Student Value Edition Plus MyEconLab with Pearson eText – Access Card Package (2nd Edition)
2. MyEconLab with Pearson eText – Access Card – for Managerial Economics and Strategy

The first one is more expensive but provides a loose-leaf copy of the textbook. Either option provides the publisher’s access card that will allow you to access the online course, homework, quizzes, and exams. Once you have purchased your access card, you must log into Blackboard and follow the registration instructions that would provide access to your course materials.

Grading

Final grades are computed based on the following schedule.

Criterion	Percentage/Weight
10 Equally Weighted Homework Assignments ¹	65%
9 Equally Weighted Chapter Quizzes (Timed ²)	20%
Final Comprehensive Exam	15%

1. Students are limited to 2 attempts per question. Students can start a homework and come back to it at any point before the due date. Contrary to the quizzes, each homework is equipped with learning aids that would help students understand and thus answer the questions correctly.
2. Each quiz has a 60-minute time limit. Once a quiz is started, the quiz must be finished within that time. Students **cannot** save the work to be completed “later”. For this reason, the due date for quizzes is usually 2 days after the homework due date. It is recommended that students complete the homework first. The online interface analyzes the results from the homework, and creates a study plan that will help the student with topics that need to be reinforced. Although the mastering the study plan prior to taking a quiz is not required, it is recommended. *Research by the publisher has shown that using the study plan provided significantly improves students’ grades in quizzes and exams.*
 - There are 11 Homework Assignments (1 for each chapter and an introductory one on “How to use MyEconLab”), but I will drop the one with the lowest score.

Homework and Quizzes Dates

All online assignments become available at 12:01 am of the start date, and close at 11:59 pm of the end date.

Chapter	Assignment	Start Date	End Date (Due)
Get Started	MyEconLab Intro	8/21	8/23
Chapter 1	Chapter Reading (CR) and Homework (HW)	8/24	8/28
	Quiz	8/24	8/29
Chapter 2	CR and HW	8/30	9/6
	Quiz	8/30	9/8
Chapter 3	CR and HW	9/11	9/18
	Quiz	9/11	9/20
Chapter 4	CR and HW	9/21	9/29
	Quiz	9/21	10/2
Chapter 5	CR and HW	10/3	10/10
	Quiz	10/3	10/12
Chapter 6	CR and HW	10/13	10/20
	Quiz	10/13	10/24
Chapter 7	CR and HW	10/25	11/1
	Quiz	10/25	11/3
Chapter 8	CR and HW	11/4	11/11
	Quiz	11/4	11/14
Chapter 9	CR and HW	11/15	11/21
	Quiz	11/15	11/26
Chapter 10	CR and HW	11/27	12/1
Final Exam		12/4	12/8

*** These are tentative exam dates and are subject to change. I will post an announcement on blackboard if there needs to be any changes.*

Grading Scale

Please note the following grading scale, which will apply to all quizzes, assignments, and tests.

Percentage Range	Letter Grade
94 to 100 %	A
90 to 93.9999 %	A-
87 to 89.9999 %	B+
83 to 86.9999 %	B
80 to 82.9999 %	B-
77 to 79.9999 %	C+
73 to 76.9999 %	C
70 to 72.9999 %	C-
67 to 69.9999 %	D+
63 to 66.9999 %	D
60 to 62.9999 %	D-
0 to 59.9999 %	F

- As you see, the scale suggests that 89.6% corresponds to a B+, and will not be rounded to an A-. Please have this in mind as there will be no exceptions.
- **There will be no extra credit given at any point after the final exam. Once your final grade has been calculated, there is no extra work that you can do in order to bring that grade up.**

Topics

The following is a schedule of concepts to be covered and the corresponding chapter in your textbook.

Chapter	Topic
Chapter 1	Managerial Decisions
Chapter 2	Supply and Demand
Chapter 3	Empirical Methods for Demand Analysis
Chapter 4	Consumer Choice
Chapter 5	Production
Chapter 6	Costs
Chapter 7	Firm Organization and Market Structures
Chapter 8	Competitive Firms and Markets
Chapter 9	Monopoly
Chapter 10	Pricing with Market Power

WKU's Disability Accommodation Statement

In compliance with university policy, students with disabilities who require academic and/or auxiliary accommodations for this course must contact *Student Disability Services*. The phone number is 270-745-5004. Please do not request accommodations directly from the professor or instructor without a letter of accommodation from Student Disability Services without a faculty notification letter (FNL) from The Student Accessibility Resource Center.

Title IX Misconduct/Assault Statement

Western Kentucky University (WKU) is committed to supporting faculty, staff and students by upholding WKUs Title IX Sexual Misconduct/Assault Policy (#0.2070) at <https://wku.edu/eoo/documents/titleix/wkutitleixpolicyandgrievanceprocedure.pdf> and Discrimination and Harassment Policy (#0.2040) at https://wku.edu/policies/hr_policies/2040_discrimination_harassment_policy.pdf.

Under these policies, discrimination, harassment and/or sexual misconduct based on sex/gender are prohibited. If you experience an incident of sex/gender-based discrimination, harassment and/or sexual misconduct, you are encouraged to report it to the Title IX Coordinator, Andrea Anderson, 270-745-5398 or Title IX Investigators, Michael Crowe, 270-745-5429 or Joshua Hayes, 270-745-5121. Please note that while you may report an incident of sex/gender based discrimination, harassment and/or sexual misconduct to a faculty member, WKU faculty are Responsible Employees of the University and MUST report what you share to WKUs Title IX Coordinator or Title IX Investigator. If you would like to speak with someone who may be able to afford you confidentiality, you may contact WKUs Counseling and Testing Center at 270-745-3159.

Honor Code

All submitted work is subject to the WKU and GFCB's code of honor. Cases of suspected academic misconduct and plagiarism will be referred to the corresponding authority. Be vigilant in the use and citation of others' work in all assignments and presentations. As expected, cheating of any kind is strictly prohibited, and will be penalized.