Course Description and Objectives

Application of economic analysis in formulating business decisions, drawing upon the theoretical foundations of the concepts of demand, cost, production, profits, and competition, with special emphasis on case studies.

Students successfully completing this course should be able to determine an optimal course of action for a firm under various market conditions, analyze the factors that describe the value of a firm under different market structures, and be able to recommend the appropriate strategy with respect to market entry, output and capacity decisions, and pricing.

Prerequisites

ECON 2302 or equivalent

Text and Other Materials

The textbook we will use is *The Economics of Managerial Decisions* by Blair and Rush, 2019, Pearson. Additional materials will be made available in class and/or on Desire2Learn.

Grading

Your course grade will be computed as follows:

<table>
<thead>
<tr>
<th>Points Accumulated</th>
<th>Grade</th>
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<tbody>
<tr>
<td>450 – 500</td>
<td>A</td>
</tr>
<tr>
<td>400 – 449</td>
<td>B</td>
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<tr>
<td>350 – 399</td>
<td>C</td>
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<tr>
<td>&lt; 349</td>
<td>F</td>
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No curving will be done. And there is no extra credit of any kind. Don’t ask.
Exams

There will be four noncumulative exams. Exams will be held during class on specified dates (see schedule below), in the beginning of the class period – so don't be late. You will complete exams in D2L and on Zoom; please have your camera on and microphone unmuted. Exams are open-notes, open-book but not open-outside-help; i.e., the work must be yours and yours alone.

If you have a scheduling conflict and need to take an exam at a different time, let me know as early as you possibly can. Rescheduled exams will need to proctored using Proctorio.

Group Case Presentations

The class will be split up into groups of two or three (depending on the exact total number of students in the class), and each group will be assigned a case. The group’s task is to study the case and then “teach” it to the rest of the class: in other words, assuming we know nothing about the case, explain it – background, what happened, and how it relates to a topic we've encountered in class.

You will need to read the provided article(s) or other materials and, in most cases, do at least some additional research about the companies, markets, industries, or business strategies involved. Then present a 10-15 minute synopsis of the case to the class, who will not have read it. Summarize, synthesize and explain in your words what you’ve read; there is no better way to demonstrate that you know and understand something fully than being able to explain it to someone else in your own words. Visual aids may be needed, but it is up to you to determine what is required to convey your message clearly. For example, it is very difficult to talk about numbers without showing anything….

You will NOT have a choice in your partner(s), the case assigned to you or when you are scheduled to present. This is a part of this exercise – being able to deal with the circumstances you’re handed. If you have a prior commitment on the day you are assigned to present (such as a family obligation or work travel), let me know as soon as you can, and we’ll make an adjustment.

Short Assignments

We will do plenty of problem solving and going over examples during class. These short assignments will be a kind of graded homework: there will be 12, and eight of them will count (i.e., four lowest grades can be dropped). Each one will consist of one problem that you solve on D2L (under Quizzes). No need to print anything out, you will submit your answers online through D2L.

Zoom Information

For those who will be Zoom-ing into class meetings, use this link to join.

If you decide to join us via Zoom for some class meetings or all of them, please make arrangements to be somewhere with a reliable internet connection and no distractions. Class sessions are not “come-and-go” – if you choose to Zoom in, please plan on participating in the entire class. This means having your camera on and generally being present in class; it does not mean that you cannot get up from your seat or take a break; however, having the class on in the background while you are doing something else with your camera turned off and microphone muted is not going to cut it. Yes, a large portion of the class will be lecture, but not all; participation is required, and this is not a spectator sport.

Silence your phone! This is a good practice to develop for any class, meeting or event you attend. No one should hear any of your notifications. Keep your microphone muted on Zoom – it's just less distracting that way – unless you are asking a question or we are in the middle of a discussion.

While there will be recordings posted after each lecture, simply watching the video is not the same as being in class. You will miss key portions of the course, including group case presentations and discussions.
# Class Schedule

Below is a (very) tentative course schedule. The designation BR means “Blair-Rush,” our main text for this course. You are only responsible for sections and page numbers stated below.

<table>
<thead>
<tr>
<th>WEEK</th>
<th>DATE</th>
<th>TOPICS, READINGS, ACTIVITIES</th>
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<tbody>
<tr>
<td>1</td>
<td>1/24/2024</td>
<td>Introduction: What is Managerial Economics? Basic concepts and relations (BR Ch. 1, class notes)</td>
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<tr>
<td>2</td>
<td>1/31/2024</td>
<td>Markets: Supply and Demand, Equilibrium (BR Ch. 2 (p. 33-70, 75-78))</td>
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| 3    | 2/7/2024 | Demand Analysis: Elasticities and Simple Pricing (BR Ch. 3 (p. 105-119), class notes)  
*Gas Stations Case* |
| 4    | 2/14/2024| Exam 1 |
| 5    | 2/21/2024| Production: Short- and Long-run Costs, Economies of Scale and Scope (BR Ch. 4 (p. 151-172))  
*MB Statium Case* |
| 6    | 2/28/2024| Market Structures I: Perfect Competition (BR Ch. 5)  
*Kellogg Case* |
| 7    | 3/6/2024 | Market Structures II: Monopoly and Market Power  
*Vending Machines Case* |
| 8    | 3/13/2024| **Spring Break – No Class** |
| 9    | 3/20/2024| Exam 2  
Market Structures III: Monopolistic Competition (BR Ch. 6 (p. 252-257)) |
| 10   | 3/27/2024| Government Regulation of Monopolies (BR Ch. 6 (p. 227-248), class notes)  
Market Structures III: Monopolistic Competition (BR Ch. 6 (p. 252-257))  
*Dollar General Case* |
| 11   | 4/3/2024 | Market Structures IV: Oligopoly – Traditional Models (BR Ch. 7 (p. 285-293, 296-299), class notes)  
*DeBeers Case* |
| 12   | 4/10/2024| A Different Approach to Oligopoly: Game Theory, Interdependence, and Strategy (BR Ch. 8, class notes) |
| 14   | 4/17/2024| **Exam 3** |
| 13   | 4/24/2024| Advanced Pricing Techniques: Price Discrimination, Two-Part Tariffs, Block Pricing, Bundling, Peak-Load Pricing (BR Ch. 10, class notes)  
*Uber/Lyft/DoorDash vs. California Case* |
| 15   | 5/1/2024 | Review, Catch-up, etc.  
*Africa’s HIV Drugs Case* |
| 16   | 5/8/2024 | **Exam 4** |
Program Learning Outcomes:

Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at http://www.sfasu.edu/mba.

Student Syllabus Resources

Information on the following is available at Student Syllabus Resources:

- Institution Absences (HOP 04-110)
- Academic Integrity (HOP 04-106)
- Withheld Grades Semester Grades Policy (HOP policy 02-206)
- Students with Disabilities and Disability Services
- Student Wellness and Well-Being
- Additional Campus Resources
- Crisis Resources