

Department of Economics

ECON 540 – Managerial Economics

Summer 2012

Class Schedule: MTWUF 9:50-11:50 AM
Class Room: Waters Hall 041

Prerequisites:
ECON 120 or equivalent
STAT 320/330/340/350
MATH 205/220

Instructor: Luo, Zijun
Email: luozijun@ksu.edu
Office: Waters Hall 302B
Office Hours: TU 8:30-9:45 AM
or by appointment

Final Exam: Friday, June 29th, IN CLASS**Course Description**

Managerial Economics is an applied branch of modern economics focusing on business decision-makings and strategies. It draws on two closely related areas of economic theory: microeconomics and industrial organizations. For those of you who are business majors, this course will help you to understand and later use tools of economics to make better managerial decisions. For those of you who are economics majors, this course will help you to transit from microeconomics (ECON120 and/or ECON520) to areas that are more business oriented, such as industrial organization (ECON640).

Textbook (Optional)

Christopher R. Thomas and S. Charles Maurice, “*Managerial Economics: Foundations of Business Analysis and Strategy*,” 10th Edition. [ISBN 978-0-07-337591-5]

Study Advice and Class Attendance

Although handouts/Powerpoints will be given and attendance of class is not required, I highly recommend you to attend every class for two reasons. First, there will be pop quiz throughout the semester each containing base points as the incentives/bonus of attending class. Second, research by economists show high and positive correlation between class attendance and a student’s final grade. The difference between class presentations and handouts is that presentation is dynamic so that you can follow the thinking process which is critical for you to do well in exams. Normally, handouts will contain blank spaces for you to fill in graphs during classes.

If you know ahead of time that you won’t be attending class with a solid reason, you should notify me by email.

Course Outline

Chapter 00 Math Review
Chapter 02 Demand, Supply, and Market Equilibrium **
Chapter 03 Marginal Analysis for Optimal Decisions
Chapter 05 Theory of Consumer Behavior **
Chapter 06 Elasticity and Demand **
Chapter 07 Demand Estimation and Forecasting *
Chapter 08 Production and Cost in the Short Run **
Chapter 09 Production and Cost in the Long Run **
Chapter 10 Production and Cost Estimation *
Chapter 11 Managerial Decision in Competitive Markets
Chapter 12 Managerial Decisions for Firms with Market Power
Chapter 13 Strategic Decision Making in Oligopoly Markets *
Chapter 15 Decision under Risk and Uncertainty *
Chapter 16 Government Regulation of Business *

Note: Most chapters will take one class period (two hours). The first three chapters (00, 02, and 03) will be combined into one class, while chapters with * are going to spread into two classes. Chapters indicated by ** include self-study components. Those are usually (partially) repeating materials from your principles classes. It is your responsibility to study the notes I post for those chapters. The last two chapters (15 and 16) are subject to time constraint.

Homework Assignments and Exams

There will be homework assignments and pop quizzes, worth a total of 100 points. Due dates are to be announced in class. You can form groups to finish homework assignments but you have to hand in your own copy. Direct copying of homework answers from others is prohibited. Keep in mind that such behavior not only violates the university's policy on Academic Honesty (see below), but also potentially makes your exam grades to be unsatisfied. NO LATER HOMEWORK WILL BE ACCEPTED.

There will be three weekly exams on Fridays of each week starting the second week. Each exam is worth 100 points. THERE WILL BE NO MAKE-UP EXAMS except for final exam. If you miss a midterm exam, you will get a grade equals to the average of all other exams. For that, you are required to submit one of the following: (1)an official letter from your academic advisor; (2)a doctor's report in case of illness; and (3)any legitimate proof in case of special circumstances beyond control.

THERE WILL BE NO EXTRA CREDIT WORK AVAILABLE.

Grading

Final grades are based on relative performance but in general you can expect

A: 90% or above; B: 80% or above; C: 70% or above; D: 60% or above; F: Below 60%.

Classroom Policy

You are allowed to bring your laptop to class. You can walk out of the classroom anytime you want, but interrupting the class with a ringtone of cell phone, snoring, and etc. is strictly forbidden. In addition, no texting, no facebooking, and no twittering during class.

Statement Regarding Academic Honesty

Kansas State University has an Honor System based on personal integrity, which is presumed to be sufficient assurance that, in academic matters, one's work is performed honestly and without unauthorized assistance. Undergraduate and graduate students, by registration, acknowledge the jurisdiction of the Honor System. The policies and procedures of the Honor System apply to all full and part-time students enrolled in undergraduate and graduate courses on-campus, off-campus, and via distance learning. The honor system website can be reached via the following URL: www.ksu.edu/honor. A component vital to the Honor System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. The F indicates failure in the course; the X indicates the reason is an Honor Pledge violation.

Statements for Academic Accommodations for Students with Disabilities

Any student with a disability who needs a classroom accommodation, access to technology or other academic assistance in this course should contact Disability Support Services (dss@k-state.edu) and/or the instructor. DSS serves students with a wide range of disabilities including, but not limited to, physical disabilities, sensory impairments, learning disabilities, attention deficit disorder, depression, and anxiety.

Statement Defining Expectations for Classroom Conduct

All student activities in the University, including this course, are governed by the Student Judicial Conduct Code as outlined in the Student Governing Association By Laws, Article VI, Section 3, number 2. Students who engage in behavior that disrupts the learning environment may be asked to leave the class.

Statement for Copyright Notification

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