



Graduate Business 707: Managerial Economics

Spring Semester 2017

Columbia Campus, Room 270

Tuesdays 6:30PM - 9:00PM

Instructor: Dr. Kerry Tan
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Office Hour: By appointment only

Course Website: <http://moodle.loyola.edu/>

Lecture slides, Harvard Business Publishing coursepack, and other course-related material will be posted on the course website.

Course Overview:

Managerial Economics is designed to give MBA students a foundation in basic economic principles. We can use the tools of economics to help explain human behavior; indeed, a basic understanding of economic principles will shed new light on observed phenomenon in our everyday life. In addition, we can utilize the economic way of thinking to sharpen our own decisions in hopes of achieving more efficient outcomes when making choices in our business or personal lives. This course will begin by covering basic economic principles that serve as the foundation for both microeconomics and macroeconomics. We will then apply these concepts in a microeconomics framework, in which we study the interaction of consumers and firms. The course ends with an introduction to macroeconomics, which is the study of the economy as a whole.

Course Objectives:

- Help students to “think like an economist” so that the tools of this course can be used to improve business decision making
- Master the model of supply and demand to the point where students can explain observed market outcomes within this framework
- Understand the efficiency implications of various market structures
- Discuss macroeconomic indicators and evaluate an economy’s performance
- Analyze the impact of monetary and fiscal policy on major macroeconomic indicators

Required Textbook:

Paul G. Farnham

Economics for Managers (3rd Edition), Pearson (2013)

ISBN: 9780132773706

Note: Earlier editions are acceptable since they are all pretty much the same. Page numbers may differ with other editions, but we can work that out.

Grading Policy:

Grades for this course will be assigned as follows:

Case Studies: 40%

Current Events: 20%

Final Exam: 30%

Participation: 10%

Case Studies:

Two case studies will be assigned during the semester and will provide an opportunity to develop critical thinking skills, collaborative problem-solving, and apply analytical techniques learned in class. The case studies can be purchased online for \$8.50 at Harvard Business Publishing's website: <http://cb.hbsp.harvard.edu/cbmp/access/57329680>. This link can also be found on Moodle. Each case study will be associated with a Word document consisting of four questions that you will answer in that same file. Your completed assignment should be three to five pages long (Times New Roman, 12-point font, double spaced). You are encouraged to collaborate with your classmates, but each student must turn in his or her own assignment. You must turn in your case study through Moodle by the beginning of class on the due date.

Current Events:

There will be three current events assignments, in which you will type a two-page (Times New Roman, 12-point font, double spaced) current event on two news articles from a reputable news source (published within the last 1 year) that pertain to the course material. You will summarize the two articles, specify how they relate to the course material, and provide some insightful commentary on the issue. I am particularly interested in learning about how the course material has helped you better understand what is happening at your workplace and/or the business world in general. Be sure to include a Works Cited section at the end of your current event with a link to your news articles. You must turn in your current event assignment through Moodle by the beginning of class on the due date.

Final Exam:

A final exam will be administered in-class on the last day of the semester (May 2). The exam will consist of seven sets of word problems, of which you choose five to answer. The exam will cover material from the lectures, as well as any relevant material that arises through class discussion. The exam will be open book, open notes, but closed neighbor. You may also bring in a calculator or laptop so that you can use Microsoft Excel (or some other spreadsheet application) to help you with calculations.

Participation:

You are expected to attend class regularly and be prepared to participate in class discussions. You are encouraged to share your relevant work and life experiences, which I hope will help others to better understand the course material. Even if you feel you know the material, I cannot evaluate your preparedness unless you share your insights with the class. Students are not penalized for making comments that are not the "right answer." It is important to appreciate that every student is important to the discussion, and that it is equally important that each of us listen carefully to one another and attempt to build on or constructively critique prior comments. As such, your participation score will be based more on how much you contribute to the class's learning than on how much you talk.

Grading Scale:

Generally, final letter grades will follow the typical structure of: A (93-100), A- (90-92.99), B+ (87-89.99), B (83-86.99), B- (80-82.99), C+ (77-79.99), C (70-76.99), and F (below 70). However, this breakdown is not set in stone and can vary according to the distribution of raw grades.

Academic Misconduct:

This course is covered by the Academic Integrity policy in Loyola's Graduate Academic Catalogue. The following constitute violations of this policy: cheating, stealing, lying, forgery, and plagiarism. Ignorance of the Academic Integrity policy is not a valid excuse for committing an act of academic dishonesty.

Tentative Schedule:

Date	Topic Covered	Assignment Due
Jan. 17	Ch. 1: Managers and Economics	
Jan. 24	Ch. 2: Demand, Supply, and Equilibrium Prices (Part 1)	
Jan. 31	Ch. 2: Demand, Supply, and Equilibrium Prices (Part 2)	Current Event #1
Feb. 7	Ch. 5: Production and Cost Analysis in the Short Run & Ch. 6: Production and Cost Analysis in the Long Run (Asynchronous Class)	
Feb. 14	Ch. 3: Demand Elasticities	
Feb. 21	Ch. 7: Perfect Competition	Case Study #1
Feb. 28	Ch. 8: Monopoly	
Mar. 7	No Class: Spring Break	
Mar. 14	Ch. 9: Oligopoly	Current Event #2
Mar. 21	Ch. 10: Pricing Strategies for the Firm	
Mar. 28	Ch. 11: Measuring Macroeconomic Activity & Ch. 12: Spending by Individuals, Firms, and Governments on Real Goods and Services (Asynchronous Class)	
Apr. 4	Ch. 13: The Role of Money in the Macro Economy	Case Study #2
Apr. 11	Ch. 14: The Aggregate Model of the Macro Economy	
Apr. 18	Ch. 15: International and Balance of Payments Issues in the Macro Economy	Current Event #3
Apr. 25	Guest Speaker	
May 2	FINAL EXAM	