



BUS-430 Principles of Managerial Economics

Description:

Sound economic reasoning benefits any manager of a business, whether they are involved with production/operations, marketing, finance, or corporate strategy. BUS430 presents key relationships between price, quantity, cost, revenue, and profit for an individual firm are presented in form of simple conceptual models. This course also includes key elements from the economics of consumer demand and the economics of production. It discusses economic motivations for expanding a business and contributions from economics for improved organization of large firms. Market price-quantity equilibrium, competitive behavior, and the role of market structure on market equilibrium and competition are also addressed.

Textbook: Managerial Economics, 5th Ed. – Froeb, McCann – ISBN: 9781337106580

Course objectives:

Throughout the course, you will meet the following goals:

- Understand the relationship between revenue, cost, and profit.
- Describe what a breakeven analysis is and discuss its importance.
- Discuss the shutdown rule and how to avoid it.
- Describe the determinants, forecasting, and elasticity of demand.

Contents:

Ch 1: Introduction: What This Book Is About	Ch 13: Direct Price Discrimination
Ch 2: The One Lessor of Business	Ch 14: Indirect Price Discrimination
Ch 3: Benefits, Costs, and Decisions	Ch 15: Strategic Games
Ch 4: Extent (How Much) Decisions	Ch 16: Bargaining
Ch 5: Investment Decisions	Ch 17: Making Decisions with Uncertainty
Ch 6: Simple Pricing	Ch 18: Auctions
Ch 7: Economies of Scale and Scope	Ch 19: The Problem of Adverse Selection
Ch 8: Understanding Markets and Industry Changes	Ch 20: The Problem of Moral Hazard
Ch 9: Market Structure and Long-Run Equilibrium	Ch 21: Getting Employees to Work
Ch 10: The Quest to Keep Profit from Eroding	Ch 22: Getting Divisions to Work
Ch 11: Foreign Exchange, Trade, and Bubbles	Ch 23: Managing Vertical Relationships
Ch 12: More Realistic and Complex Pricing	Ch 24: You Be the Consultant

Grading Scale

- A = 95-100%
- B = 88-94.9%
- C = 80-87.9%
- D = 70-79.9%
- F = Below 70%

Grade Weighting

Chapter Quizzes.....	70%
<u>Final Exam</u>	<u>30%</u>
	100%