

ECP 5702: Managerial Economics

Course Objective: This class reviews the fundamental economic principles most relevant for managers. During the course, we will survey market processes, demand patterns, cost structures, market conditions, and pricing policies. An understanding of consumer valuations, production technologies, and inter-firm rivalry can improve corporate strategies. Cases and problems from the textbook will illustrate how economic concepts can be applied to specific industries. Analytical techniques and quantitative tools will link the concepts to measurement and decision-making. We will also draw upon articles from the *Wall Street Journal*, *Business Week*, and other business press publications.

Course Description: Classroom discussions will cover the following topics: operational effectiveness, optimization techniques, market demand and consumer preferences, elasticities (price, income, and advertising), multi-part pricing, public policy, antitrust and deregulation, production principles, and cost minimization. I expect material to be read in advance of class, so you are familiar with the conceptual frameworks to be discussed that day. Follow-up reviews and problem sets will tend to focus on themes developed during our sessions.

Prerequisites: Graduate student; undergraduate Introductory Microeconomics strongly recommended.

Textbooks: (1) *Managerial Economics: Theory, Applications, and Cases* (6th Edition) by W. Bruce Allen, Neil Doherty, Keith Weigelt, and Edwin Mansfield, W.W. Norton & Co., 2005.
(2) Class Notes: *Managerial Economics: Value Creation and Allocation*, by Sanford V. Berg

Assignments: (1) Team Exercises and (2) Individual Quizzes.

Grading: Team Exercises (100); Individual Quizzes (50); Participation (50); Final Exam (100) = 300 Total Points. Grade distribution: roughly 1/3 B, 1/3 B+, 1/3 A ; (C or C+ for weaker performance)