

**Economics 329 Syllabus**  
**Managerial Economics**  
*California State University Channel Islands*  
**Dr. Rivera**  
**Fall 2009**

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*Catalog Description:* Development of the tools of marginal analysis and their application to managerial decisions and planning. Topics include demand analysis, production and cost, pricing and output decisions under different market structures. Product and factor markets will be analyzed. *Pre-requisites:* ECON 110, ECON 111 and MATH 140 or MATH 150

- Course Time: T/TH, 9:00-10:15 am
- Course Location: Bell Tower 1642
- Office Hours: W, 9:00-11:00 am; T/TH, 8:30-9:00 am; *By Appointment*
- Office Location: Sage Hall 2135
- Contact: [phone] (805)437-8988 [[paul.rivera@csuci.edu](mailto:paul.rivera@csuci.edu)]
- Textbook: Michael Baye, *Managerial Economics, 6th*, McGraw-Hill 2008.

## Course Learning Objectives

Students who successfully complete this course will be able to:

- Identify positive and normative methods of analysis.
- Derive and interpret the optimality conditions for the constrained optimization problems faced by consumers and producers.
- Identify the key factors affecting demand and supply, and conduct comparative static analyses of changes in demand and supply conditions.
- Incorporate risk considerations as part of optimal decision-making.
- Apply fundamental economic reasoning to real-world situations, and generate logically consistent arguments regarding economic efficiency.
- Distinguish and determine the efficiency implications of various forms of market structure.
- Project the economic consequences of business decisions or policy changes from the short run to the long run.
- Identify circumstances where markets may fail and forecast likely outcomes of such failures.
- Analyze government solutions to market failures.

## What is this course about?

Although it is housed within the Business & Economics program at CSUCI, economics is actually a social science: a discipline focused on the explanation of human behavior. This course builds on your introductory courses to develop further your economic intuition and apply more advanced tools of economics to increasingly complex situations. In particular, the course focuses on the application of economic rationale to a broad array of managerial situations. Ideally, you will leave this course understanding how and why economics is important, useful and relevant to everyday decisions in a wide variety of situations.

## How do I teach?

Education is about learning to think critically for the purpose of solving problems. To that end, my teaching revolves around problem identification and the logical application of economic thought to achieve a solution. Also, I emphasize a multi-faceted approach that will require both your quantitative skills and your powers of written expression.

This course will emphasize depth of understanding over breadth. Rather than introduce you to a dizzying array of concepts, we will instead focus on a solid understanding of the elements of economic analysis.

Participation matters! Your opinions and ideas count, so please share them. And my door is always open: Please don't hesitate to visit during office hours. Please also feel free to make an appointment with me for another time.

## What should you do to succeed in this course?

- *Come to Class*: Attendance is expected. Lecture will be your best source of information for this course. Missing class means missing valuable discussion, quizzes and information regarding assignments.
- *Read the Book*: Students are notoriously reluctant to read textbooks, but the truth is that the text can be an extremely valuable source of information and clarification.
- *Do the Work*: Economics is a way of thinking, but to understand it takes practice... and "practice" means homework. Working your way through problems is an excellent learning tool, especially for those who lack confidence in their mathematical skills. Please note that, by necessity, this course makes intensive use of algebra and limited use of the calculus, including partial derivatives. If you are rusty, brush up NOW.

## How will you be graded?

- Exams (60%): A midterm and a final, 30% each. *Yes, the final is cumulative!*
- Quizzes (40%): Four (4) throughout the semester. Note that each quiz is worth 10% of your final grade, and that no make-up quizzes will be given.
- Conduct Insurance Policy (-5%): You are part of a learning group, and the productive participation of each member is essential... and participation requires your attendance and attention. You can expect to earn these *negative* points if you engage in unproductive class participation, listen to your iPod, talk on your cell phone, send text messages, read magazines, etc.

The final course grade is based on the percentage of total points earned throughout the semester calculated as the ratio of the weighted sum of all points earned to the weighted sum of all points possible.

NOTE: Final course grades are traditional A, B, C, D, F. I do NOT give +/- grades.

## What will the exams and quizzes be like?

The exams and quizzes in this course are designed to challenge your ability to use the tools of economics to analyze real world problems.

## Exams

Sixty percent (60%) of each exam will consist of objective questions -- multiple choice, true/false or matching -- primarily to test your mastery of the basic skills introduced in the course. The answers to these questions will typically require analytical skill and some amount of mathematics. Strive for synthesis of concepts over memorization.

The remaining forty percent (40%) will be divided (not always equally) between two essay questions. One question will most likely be mandatory and be of the problem solving variety where you will utilize your written, graphical and mathematical economic toolkit to derive and describe a situation and the recommended solution. The other question will require you to read an excerpt from a recent newspaper article and ask you to describe situations, identify problems and derive solutions using your economic toolkit. In addition to proper application of the analytical techniques, careful explanations in clear and concise written english are essential components in the essay portion. The in-class quizzes will help prepare you for the essay portion of the exam.

For the final exam, expect the objective portion to be cumulative, while the essay portion will focus on the material since the midterm.

## Quizzes

Quizzes will typically be of the take-home variety and will most closely emulate essay questions on an exam. As take-home exercises, I expect them to be submitted typed, and it should be amply clear that you have dedicated time to develop not only the correctness of your answers, but also the eloquence of your answers. Quality of exposition and professionalism of presentation may count for as much as 25% of your score.

## Academic Honesty

All work that students submit as their own work must, in fact, be their own work. Verbatim language taken from other sources -- books, papers, web sites, people, etc. -- must be placed in quotation marks and the source identified. Similarly, work on tests and exams must be the student's own work, not copied or taken from other students' work.

In accordance with the CSU Channel Islands policy on academic dishonesty, students in this course who submit the work of others as their own (plagiarize), cheat on tests or examinations, help other students cheat or plagiarize, or commit other acts of academic dishonesty will receive appropriate academic penalties, up to and including failing the course.

Assignments or papers with plagiarized language or ideas will receive a failing grade. Plagiarism or cheating on quizzes or exams will also result in a failing grade. In cases where the cheating or plagiarism was premeditated or planned, students may receive an F for the course.

Students are encouraged to consult with the instructor on when and how to document sources if they have questions about what might constitute an act of plagiarism or cheating.

## Other Classroom Policies

This isn't high school, and I'm not your mama [... or your dad, for that matter]. This means that you don't

have to be here if you don't want to, and you don't owe me any explanations for your absence. However, if you do choose to come to class, you will abide by the following:

- You will not chat with your neighbors.
- You will not read any non-course material in digital or paper formats.
- You will not do work for other classes.
- If your phone rings, I get to answer it.
- If your head is down, your face is glowing and your fingers are tapping, I will confiscate your phone.
- If you fall asleep, I will allow your neighbor to draw a moustache on you.
- Your participation will be professional and collegial, free of attitude, whining, sarcasm or insults.
- If you prove yourself unable or unwilling to follow these rules, I will ask you to leave my classroom.

## Topics

It is worth noting that I do not teach directly from the book, but rather, I use the text as an organizational guide. Thus, if you miss class, it will never be sufficient simply to read the book and be able to catch up. The following is the general list of topics I intend to discuss this semester:

- Ch. 1 Fundamentals of Managerial Economics
- Ch. 2 Demand and Supply
- Ch. 3 Quantitative Analysis
- Ch. 4 Individual Behavior
- Ch. 5 Production Costs
- Ch. 6 Organization of the Firm
- Ch. 8 Market Structures
- Ch. 9 Oligopoly
- Ch. 10 Game Theory
- Ch. 12 Economics of Information
- Ch. 13 Advanced Topics

## Dates to Remember

- Sunday, September 6: *Quiz 1* due.
- Friday, September 11: Last day for "regular" drop.
- Sunday, September 27: *Quiz 2* due.
- Thursday, October 15: **Exam 1!**
- Sunday, October 25: *Quiz 3* due.
- Sunday, November 15: *Quiz 4* due.
- Thursday, November 26: Thanksgiving, campus closed.
- Tuesday, December 8: **Final Exam**, 8:00-10:00 am