

Stevens Institute of Technology  
Howe School of Technology Management

## Syllabus

# MGT607 – Managerial Economics

Spring 2006	Online
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	<u>Course Web Address:</u> <a href="http://webct.stevens.edu">http://webct.stevens.edu</a>

### Overview

This course examines the use of economic information and analysis in making business decisions. Topics include: modeling concepts, demand analysis and forecasting, production and cost analysis, pricing, and uncertainty.

### Learning Goals

After taking this course, the student will be able to:

1. define managerial economics and describe the tools used for economic analysis in a business setting.
2. understand the difference between economic optimization and economic maximization.
3. understand the complexities of demand and supply forecasting and its application to business decisions such as compensation, pricing, and production levels.
4. list and describe the important characteristics of different competitive market structures.
5. relate the cost of competition to regulation of competitive markets and its influence on business decisions.

### Pedagogy

The course will employ lectures, class discussion, individual assignments, and individual homeworks. Students will complete online quizzes and participate in online discussion forums to explore current economic trends and see how the concepts discussed in the textbook are applied in the real world.

### Required Text(s)

Managerial Economics, 11<sup>th</sup> Edition, Mark Hirschey, Dryden Press, 2005, ISBN: 0-324-28893-x

<http://www.swlearning.com/economics/hirschey/chooseyourbook.html>

*Select the 11<sup>th</sup> Edition and you will enter the textbook website.*

## Required Readings

TBA. Other readings may be assigned during class.

## Assignments

### CHAPTER QUIZZES

End-of-chapter online quizzes due every week.

### CHAPTER HOMEWORK

End-of-chapter problems will be assigned on a weekly basis to reinforce formulas and materials presented during the session.

### CLASS PARTICIPATION

To enhance the learning experience, all students are expected to participate in class discussion and the in-class team exercises. Attendance in class sessions is an important component of this grade.

The assignments and their weights are as shown below:

<b>Assignment</b>	<b>Grade Percent</b>
Discussion Postings	10%
Chapter Homework	20%
Chapter Quizzes	20%
Mid-Term exam	25%
Final exam	25%
<b>Total Grade</b>	<b>100%</b>

All assignments are due as noted. In fairness to others, late work will be penalized 10% per week overdue.

## Ethical Conduct

The following statement is printed in the Stevens Graduate Catalog and applies to all students taking Stevens courses, on and off campus.

“Cheating during in-class tests or take-home examinations or homework is, of course, illegal and immoral. A Graduate Academic Evaluation Board exists to investigate academic improprieties, conduct hearings, and determine any necessary actions. The term ‘academic impropriety’ is meant to include, but is not limited to, cheating on homework, during in-class or take home examinations and plagiarism.”

Consequences of academic impropriety are severe, ranging from receiving an “F” in a course, to a warning from the Dean of the Graduate School, which becomes a part of the permanent student record, to expulsion.

*Reference: The Graduate Student Handbook, Academic Year 2006-2007 Stevens Institute of Technology.*

Consistent with the above statements, all homework exercises, tests and exams that are designated as individual assignments must contain the following signed statement before they can be accepted for grading.

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I pledge on my honor that I have not given or received any unauthorized assistance on this assignment/examination. I further pledge that I have not copied any material from a book, article, the Internet or any other source except where I have expressly cited the source.

Signature \_\_\_\_\_

Date: \_\_\_\_\_

Please note that assignments in this class may be submitted to [www.turnitin.com](http://www.turnitin.com), a web-based anti-plagiarism system, for an evaluation of their originality.

## Course Schedule

Session	Reading	Topics	Assignment Due
#1	Chapter 1 Due: 2/4	Nature and Scope of Managerial Economics	Dummy Portfolio Quiz Chapter 1
#2	Chapter 2 Due: 2/11	Economic Optimization	Quiz Chapter 2 Chapter Problems P2.2 (a,b,c,d), P2.4 (a,b,c), P2.9 (a,b,c)
#3	Chapter 3 Due: 2/18	Demand and Supply	Quiz Chapter 3 Chapter Problems P3.5 (a,b,c), P3.7 (a,b,c), P3.10 (a,b,c)
#4	Chapter 4 Due: 2/25	Consumer Demand	Quiz Chapter 4 Chapter Problems P4.1 (a,b,c), P4.6 (a,b,c,d), P4.9 (a,b,c)
#5	Chapter 5 Due: 3/4	Demand Analysis	Quiz Chapter 5 Chapter Problems P5.1 (a,b,c), P5.4 (a,b), P5.5 (a,b,c)

#6	Chapter 6 Due: 3/11	Demand Estimation	Quiz Chapter 6 Chapter Problems P6.1 (a,b,c,d,e), P6.3 (a, b)
#7	Chapter 7  Mid-Term Due: 3/18	Forecasting  Chapters 1 – 7	Quiz Chapter 7 Complete Mid-Term
#8	Chapter 8 Due: 3/25	Production Analysis and Compensation Policy	Quiz Chapter 8 Chapter Problems P8.1 (a,b,c,d,e), P8.5 (a,b,c)
#9	Chapter 9 Due: 4/1	Cost Analysis and Estimation	Quiz Chapter 9 Chapter Problems P9.3, P9.4 (a,b,c), P9.9 (a,b)
#10	Chapter 10 & 11 Due: 4/8	Competitive Markets Performance & Strategy in Competitive Markets	Quiz Chapter 10 <u>or</u> 11 Chapter Problems P10.2 (a,b,c), P10.7 (a,b), P11.3 (a,b)
#11	Chapter 12 & 13 Due: 4/15	Monopoly and Monopsony Monopolistic Competition and Oligopoly	Quiz Chapter 12 <u>or</u> 13 Chapter Problems P12.3 (a,b), P12.5 (a,b), P13.3 (a,b,c)
#12	Chapter 14 Due: 4/22	Game Theory	Quiz Chapter 14 Complete Case Study: <i>Time Warner Inc. is Playing Games with Stockholders</i> (a,b,c,d)  <i>**Bonus: Movie: A Beautiful Mind</i>
#13	Chapter 15  Final Due: 4/29	Pricing Practices  Chapters 8 – 15	Quiz Chapter 15  Complete Final Exam