

Managerial Economics

Economics 607

Fall 2001

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Required Text: Managerial Economics, 7th edition, Maurice & Thomas.
Optional: Study Guide to accompany Managerial Economics, 6th ed., Maurice & Thomas.
Wall Street Journal.

The discipline of economics offers some powerful methods of analysis, both deductive and inductive, that are extremely useful to managers in decision-making. The deductive tools are the principles of microeconomic theory, which will be presented and then applied to various problems faced by managers. The inductive tools, i.e., techniques of empirical analysis which, will be presented and then applied are those of statistics, especially regression analysis. The tools of microeconomic theory and empirical analysis presented in this course should provide students with a thorough guide for managerial decision-making.

HANDICAPPED STUDENTS: If you have a handicap, which requires special consideration by the instructor, **NOTIFY THE INSTRUCTOR IMMEDIATELY** so that special arrangements can be made.

ATTENDANCE POLICY: Every student is expected to attend each class meeting. Students will find successful completion of the course to be much easier with regular attendance. Moreover, it is hoped that you will find the opportunity cost of non-attendance to be greater than the opportunity cost of attendance.

EXAM POLICY: Exams **MUST** be taken at the scheduled times. Make-up exams will be scheduled for university-authorized absences. Such absences must be documented.

TERM PAPER: The purpose of the term paper is to provide an opportunity for the student to apply the deductive (theoretical) and/or the inductive (statistical) skills that he/she has learned in the course. Students can work either individually or as a pair on their project. Topics should be approved **no later than October 25**. The term paper is **due November 29**. The body of the report should be between four and seven pages. You may append additional material if you so desire. Students will be responsible for a presentation of their project at the end of the semester.

GRADING: The course grade will be determined on a cumulative total-point basis. Each exam will be worth 30 points each, the term paper will be worth 60 points, for a total of 180 points.

90% - 100%	A	162-180
75% - 89%	B	135-143
65% - 74%	C	117-134
60% - 64%	D	110-116
< 60%	F	<110

COURSE OUTLINE:

PART I

Chapter 1: Managers, Firms, and Markets
Chapter 2: Demand, Supply, and Market Equilibrium
Chapter 3: Elasticity and Demand
EXAM I: September 13

PART II

Chapter 4: Fundamentals of Managerial Decision Making: The Theory of Optimization
Chapter 5: Basic Estimation Techniques
Chapter 7: Empirical Demand Functions
EXAM II: October 11

PART III

Chapter 8: Demand Forecasting
Chapter 9: Theory of Production and Cost in the Short Run
Chapter 11: Empirical Analysis of Production and Cost
EXAM III: November 8

PART IV

Chapter 12: Managerial Decision Making in Perfectly Competitive Markets
Chapter 14: Managerial Decision Making for Firms with Market Power

Presentations

EXAM IV: December 13, 6:00 - 8:50 p.m.