

**Michael J. O'Hara**

CBA 502 UNO Omaha NE 68182

(402) 554-2823 (with voice mail)

mohara@unomaha.edu

fax (402) 554-2680

<http://cba.unomaha.edu/faculty/mohara/web/ohara.htm>

**Office Hours: by appointment,**

Tuesday & Thursday

**before class,** 5:30 - 6:00 PM

**and after class,** 8:40 - 9:30 PM

(after class office hours often are in the classroom)

### **Managerial Economics**

Summer 2000

BSAD 8100-102 #01575 & ECON 8210-102 #1576 **Tues. & Thurs. 6:00 - 9:05 PM CBA 214**

#### **COURSE DESCRIPTION:**

3 credit hours. "This course will offer students the tools of analysis drawn from consumer theory and the theory of the firm in order to improve the understanding of human behavior as it is constrained in the context of business decision-making. This course is intended for students who are seeking the degree of Master of Science in Economics or the degree of Master of Business Administration. Prereq.: ECON 2200 and 2220 or BSAD 8180 and 8060. Students with an undergraduate major or a graduate degree in economics may not include this course in their plan of study for the MBA degree. (Same as ECON 8210.)"

#### **GRADED EVENTS:**

A course letter grade of "A" is earned with a total course percentage of 90.0% or more; a "B+" is earned with 85.0% or more; a "B" is earned with 80.0% or more; etc.

**70% EXAMS** *all exam questions will come from the textbook*

**10% First Exam** chapters 1 and 2, Appendix A

**20% Midterm Exam** chapters 1 through 9, Appendixes A & B

**40% Final Exam** chapters 1 through 18, Appendixes A & B

**20% GROUP PROJECT REPORT**

**10%** First Draft, two-page, single-spaced

**10%** Final Draft, six-page, double-spaced

**10% CLASS PARTICIPATION**

questions on previously assigned material as well as that day's assigned readings

**2% EXTRA CREDIT CONTRACT**

one page, single spaced, type analysis of live art

#### **TEXT:**

1. Mansfield, Edwin. *Managerial Economics: Theory, Application, and Cases*. Fourth Edition. New York: W.W. Norton & Co., 1999.

## EXAMS:

There are three (3) exams worth 70% of the course grade: a First Exam, a Midterm Exam, and a Comprehensive Final Exam. All exam questions will come from the textbook.

The First Exam is worth 10% of the course grade and is on **May 16**. The Midterm Exam is worth 20% of the course grade, and is on **June 6**. The Comprehensive Final Exam is at the Regent's scheduled final exam time of **June 22** and are worth 40% of the course grade.

## TRUNCATED GRADING SCALES:

Some assignments are graded on a truncated scale instead of the traditional A, B+, B, etc. grading scale using a full 100 point range. This class uses two different truncated scales.

The Extra Credit Contract and the First Draft of the Group Project Report are graded on the pass/fail truncated scale. A Pass is earned if the assignment objectively is a good faith effort at a full analysis within the constraints of the assignment length. A Pass earns 100% and Fail earns 0%.

Class Participation and the Final Draft of the Group Project Report are graded on the truncated scale:

clearly exceeds the expected level of quality	100%
expected level of quality	80%
suspect level of quality	60%
fail	0%

## GROUP PROJECT REPORT:

For a total of 20% of the course grade, there is a Group Project Report (with two drafts). See TYPING REQUIREMENTS. Bring **two copies** of your **First Draft** on **June 13** and one copy of your **Final Draft** on **June 20**.

No later than the end of break on **May 23**, the class shall divide into voluntary groups of three or four students each. No group may have more than one international student unless there are more international students than there are groups. A group may form prior to May 23, however, that group may be forced to disband on May 23 all students are not in voluntary groups. Any time prior to the due date, the class as a whole may present a written roster of all groups and all group members to the instructor, if no such roster is presented, then the instructor will randomly assign all students to groups at the due date. **IT IS YOUR PERSONAL RESPONSIBILITY TO KNOW EVERY STUDENT IN THE CLASS AND TO KNOW TO WHICH GROUP EVERY STUDENT BELONGS.**

The tasks of the Group Project Report include:

- [1] selection a not-for-profit organization,
  - [a] written approval of the instructor,
  - [b] written agreement by the not-for-profit organization to be studied  
(*copy attached to the First Draft*);
- [2] visiting the organization's site of operations;
- [3] studying the organization's financial statements;
- [4] discussing with an executive of the organization the cost structure; and
- [5] writing a report about the organization's cost structure from the perspective of short run cost analysis used in the textbook.

Short run cost analysis focuses upon total cost, variable cost, fixed cost, average costs, and marginal cost. Marginal cost is an economic concept that can only be approximated in accounting by incremental average total cost. In the short run, plant size is fixed and, typically, some costs are fixed. Your analysis must comment upon how well the organization is scaled to satisfy the ordinary demand on its supply. Additionally, you must comment upon the consequences for the organization's average costs when the demand on the organization's supply is some fixed amount above and some fixed amount below the ordinary demand. In a separate section of your Group Project Report, your analysis may, but need not, comment upon the revenue side of the organization: this is a cost focused report. In a separate section of your Group Project Report, your analysis must expressly recognize when the organization confronts ambiguities of allocation of costs between fixed costs and variable costs, as well as comment upon whether the allocations in practice are appropriate.

A **First Draft** is worth 10% of the course grade. The First Draft of the Group Project Report is a two-page, single-spaced assignment, exclusive of graphs and tables. A First Draft is graded on the pass/fail truncated scale. A First Draft also will be evaluated by other student authors who will provide feedback: **bring two copies**. *A copy of the written and signed agreement of the not-for-profit organization to be study shall be delivered to the instructor along with the First Draft.*

A **Final Draft** is worth 10% of the course grade. The Final Draft of the Group Project Report is a (maximum) six-page, double-spaced assignment, exclusive of graphs and tables. Final Drafts will be graded on the truncated scale of 100, 80, 60, and 0. Suspect quality papers tend to be more numerous than clearly excellent papers. To be clearly excellent a student's paper needs to deftly handle interrelated issues with minimal verbiage. Mere recitation of streams of jargon, especially in a definitional context, is rudimentary. Thus, is no more than expected quality, and if such streaming precludes analysis, it is no more than suspect quality. Adroit use of jargon to efficiently convey complex concepts is clearly excellent. Final Drafts that are no more than First Drafts printed in double-space often are evaluated as suspect quality.

The First Draft of the Group Project Report is due on **June 13**. The Final Draft of the Group Project Report is due on **June 20**.

## TYPING REQUIREMENTS:

Whether the assignment is single-spaced or double-spaced is specified in the assignment, as is the page length. All typed assignments shall be in a #12 font typeface, shall use one-inch margins on all four sides of a page, and shall be typed on 8 1/2" x 11" white paper. DO NOT USE A COVER SHEET, instead **use a single line header (e.g., see top of this page)** on each page identifying, from left to right: (1) the student author; (2) the assignment; (3) the date submitted [e.g., *BillyJoe DonBob Baleu; Extra Credit Contract; June 15, 2000*]. For two page assignments you have two options: either you may print on both sides of one sheet of paper (*the preferred method*) or you may staple two sheets together. (NOTE: *Because the computer labs' printers are networked, the computer labs will not let you print front-to-back. For you to print front-to-back you need to have control of the print queue, which is an inappropriate breach of security for the computer lab's networked printers.*)

You have been charged a \$5 per credit hour technology fee for the ENRON Computer Lab in CBA 403 and the campus computing rooms in CBA 007, EAB 009, and DSC 104 all of which have word processing software and provide computer support for you. Grammar, punctuation, and spelling do influence your grade. For page limits and other assignment specific typing requirements, see the specific assignment. **EACH FAILURE to comply with the typing requirements (e.g., incorrect header or no staple) will cause an AUTOMATIC LOSS OF 5% from your earned assignment grade.**

## CLASS PARTICIPATION:

There is NO MAKE-UP WORK for Class Participation. However, each student may exclude *one absence* from the calculation of his or her Class Participation grade. Your Class Participation grade is earned based on your ability to answer questions about **previously assigned readings** and your objectively demonstrated familiarity with that **day's assigned readings**. Class participation will be conducted at the beginning of the class. Students who are **late for the start of Class Participation will earn a failing grade on that day's Class Participation**. During Class Participation students will be called on randomly and will be called on in groups of four, but will be graded individually. Ideally, over the course of the semester, you personally will be randomly called upon at least three times. Class Participation is graded on a truncated scale of 100, 80, 60, and 0.

The expected quality for previously assigned readings is much higher than the expected quality for that day's assigned readings. Students may be called upon to do problems on the board as part of Class Participation.

### EXTRA CREDIT CONTRACT:

You may earn 2% Extra Credit by entering and completing an Extra Credit Contract with the instructor. Such contracts must be completed by the end of class on **June 15**. The form for an Extra Credit Contract can be downloaded from the instructor's web page dealing with Course Handouts.

An Extra Credit Contract requires the student to perform a given type of analysis on any of many forms of live art. The required analysis is a one page, single spaced typed analysis of how the live art reflects and/or uses the concepts of either [a] the principal - agent problem, or [b] profit maximization. The preferred form of live art is a live performance of a play staged in the Omaha metro area. Any live art, with the prior written agreement of the instructor, is acceptable. However, the student must attend the live art during the period of this class (i.e., May 9 through June 15).

Extra Credit Contracts will be graded the truncated scale of 100, 80, 60, and 0. A student may earn no more than 2% of Extra Credit.

### MAKE-UP WORK:

Make-up work is strongly discouraged. **There is no make-up work for Class Participation.** There are two **prerequisites** for make-up work.

1. 24 hour **prior notice** of your intended absence, *unless for sufficient reason (e.g., death of an immediate family member)*; **AND**
2. timely, **written verification** by an impartial third party (e.g., *from mortician on letterhead*).

Recall O'Hara's **phone** with voice mail is (402) **554-2823**. Typed assignments may be submitted, no later than the due date and time, by **fax** to (402) **554-2680** or by **email** as an attachment to **mohara@unomaha.edu**. Last minute transmission problems are not an adequate excuse.

### ACADEMIC DISHONESTY:

Any form of academic dishonesty (e.g., *not doing your fair share of work on the Group Project Report*) will be grounds for a course grade of "F."

<u>DATE</u>	<u>CHAPTERS</u>	<u>TASKS and DEADLINES</u>
May 9	Syllabus and handouts as well as Chapter 1 and Appendix A	
May 11	Chapter 2	
<b>May 16</b>	6:00 - 6:30 review / study time 6:30 - 8:30 <b>First Exam</b> (chapters 1 & 2, Apx. A) 8:40 - 9:05 start lecture on Chapter 3	
May 18	Chapters 3 and 4 <i>MAY 19 LAST DAY TO DROP WITH 50% REFUND</i>	
<b>May 23</b>	Chapters 5 & 6	<b>form groups</b>
May 25	Chapter 7	
May 30	no lecture, group project	
June 1	no lecture, group project	
<b>June 6</b>	6:00 - 6:30 review / study time 6:30 - 8:30 <b>Midterm Exam</b> (chapters 1 through 7, Apx. A & B) 8:40 - 9:05 Chapters 10 and 13 ( <i>only skim these chapters</i> )	
June 8	Chapters 8 & 9 <i>JUNE 9 IS THE LAST DAY TO DROP</i>	
<b>June 13</b>	chapters 11, 12, 14	<b>First Draft of Report due</b>
<b>June 15</b>	substantial Class Participation over Chapters 8, 9, 11, 12, and 14 Chapters 15 & 16 ( <i>only skim these chapters</i> )	<b>Extra Credit Contracts due</b>
<b>June 20</b>	substantial Class Participation over Chapters 8, 9, 11, 12, and 14 Chapters 17 & 18	<b>Final Draft of Report due</b> student evaluations
<b>June 22</b>	6:00 - 6:30 review 6:30 - 9:05 <b>Final Exam</b> (chapters 1 through 18, Apx. A & B)	

Above, Chapters 10, 13, 15, and 16 have the notation "only skim these chapters". Reading a chapter in detail, which is what is ordinarily expected of a graduate student, probably will consume about an hour for each 10 pages of text (on a good day). In stark contrast, to skim the chapter you need only read the end of chapter summary and then scan each page of the chapter for the major concepts and how they relate to each other. To skim an entire chapter should not take more than 20 minutes.