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**Office Hours: by appointment,**

Tuesday & Thursday  
**before class**, 9:45 - 10:00 AM  
**and after class**, 11:15 - noon  
(after class office hours start in the classroom)

**Managerial Economics**

Spring 2002

ECON 3800-001 # 03800 **Tuesday & Thursday 10:00 - 11:15 AM CBA 208**

**COURSE DESCRIPTION:**

3 credit hours. "3800 Managerial Economics. Economic analysis applied to executive decisions; emphasizing the empirical determination of demand, and the nature and determination of the firm's cost, pricing and investment problems.

Prereq: ECON 2200."

**GRADED EVENTS:**

A course letter grade of "A" is earned with a total course percentage of 90.0%; an "A-" is earned with 87.0%; a "B+" is earned with 83.0%; a "B" is earned with 80.0%; a "C+" is earned with 73.0%; a "C" is earned with 70.0%; a "D" is earned with 60.0%; and an "F" is earned with less than 60.0%. Dr. O'Hara does not use the grades of "B-", "C-", "D+", or "D-".

**90% EXAMS**

**15% First Exam** chapters 1 and 2, Appendix A

**30% Midterm Exam** chapters 1 through 9, Appendixes A & B

**45% Final Exam** chapters 1 through 18, Appendixes A & B

**10% CLASS PARTICIPATION**

Individually, you may **contract** with the instructor to reduce the weight of the exams by completing a **forensic economics research project** worth **either 30% or 45%** of the course grade. **The student will pick between three weightings of assignments: A, B, and C. See below.**

**TEXT:**

1. Mansfield, Edwin. *Managerial Economics: Theory, Application, and Cases*. Fourth Edition. New York: W.W. Norton & Co., 1999.
2. Blodgett, Emily, Luby, Cathy, Skifter, Donald, Stevenson, Lane, and Witherspoon, Rachael. *Managerial Economics Study Guide*. Omaha: self published, 2000.

**Be sure to buy this Study Guide.**

**It has fully worked-out answers to all end of chapter questions.**

## **EXAMS:**

If a student chooses Weighting A, then there are three (3) exams worth 90% of the course grade: a First Exam, a Midterm Exam, and a Comprehensive Final Exam. The First Exam is worth 15% of the course grade and is on **January 31**. The Midterm Exam is worth 30% of the course grade, and is on **March 14**. The Comprehensive Final Exam is at the Regent's scheduled final exam time of Tuesday, **May 7** and is worth 45% of the course grade.

Each exam will be use the multiple choice format with 21 questions graded as if there are 20 questions. A student will need to do a substantial amount of calculations and/or thought in order to answer these multiple choice questions. You may use a calculator during the exams. The Finance, Banking, and Law Department of CBA recommends the HP 10-B calculator. If any student(s) contract to complete a forensic economics research paper, then the Comprehensive Final Exam for all students will include a question based on the Presentation(s).

## **CLASS PARTICIPATION**

There is NO MAKE-UP WORK for Class Participation. However, each student may exclude two absences from the calculation of his or her Class Participation grade.

Each student starts with 100% of the Class Participation grade, which is equal to 10% of the course. Students can decrease and can increase that 100%.

A student can decrease that 100% in two ways: first, when called upon individually by the instructor, and second, by minimal voluntary participation. The instructor will call upon individual students with questions that test your ability to answer questions about **previously assigned readings** and your objectively demonstrated familiarity with that **day's assigned readings**. Every time that a student responds to an instructor's question with "I do not know.", or its equivalent (e.g., prolonged silence, is absent, etc.) that student will lose 5% of that 100%. At the end of the semester, if a student's volunteered participation is most noteworthy because of its minuteness compared to other students, then that student will lose 5% of that 100%.

A student can increase the 100% in two ways: first, by clearly superior replies when called upon, and second, by clearly superior (i.e., quantity *and* quality) voluntary participation. At the end of the semester the instructor will award at most 10% of that 100% for clearly superior replies and at most 10% of that 100% for clearly superior voluntary participation.

## FORENSIC ECONOMICS RESEARCH PAPER

Some students prefer research projects to exams. Individually, a student may contract with the instructor to alter the weight of the exams by completing a forensic economics research project.

Forensic Economics is the application of economics in the context of legal proof. The most common forensic economics problems are in the context of personal injury or wrongful death. Commercial damages most often arise in employment disputes (e.g., wrongful discharge), or breach of contract (e.g., lease), or wrongful use (e.g., patent infringement). Since this is a managerial economics class, student shall select a commercial damages problem. The forensic economics research paper will have four parts:

- a one page Outline;
- a five page Rough Draft;
- a Final Draft between ten and twenty-five pages (shorter is much better); and
- a PowerPoint Presentation to the class using between four and ten slides.

The worth of the Outline which is due **February 12**, the worth of the Rough Draft which is due **March 12**, the worth of the Final Draft which is due **April 16**, and the worth of the Presentation which is due **April 30** is set by the student's Weighting Choice. The **Weighting Choice must be made on Feb 5**; there are three choices:

	First Exam	Midterm	Final	Outline	Rough	Final Draft	Presentation
<b>Weighting A</b>	15	30	45	0	0	0	0
<b>Weighting B</b>	15	15	30	5	5	10	10
<b>Weighting C</b>	0	0	45	5	10	15	15

For the TYPING REQUIREMENTS for the Outline, Rough Draft, and Final Draft see the Spring 2002 BSAD 8010 syllabus at my web site.

## 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 the mortician, on letterhead).*

## ACADEMIC DISHONESTY:

Any form of academic dishonesty (*e.g., copying off of another student's exam; plagiarism*) will be grounds for a course grade of "F."

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<u>DATE</u>	<u>CHAPTERS, TASKS, and DEADLINES</u>	
Jan 15	Syllabus and handouts	
Jan 17	Chapter 1: Intro to ME and Appendix A: Discounting and Present Values	
Jan 22	Chapter 2: Optimization Techniques	
Jan 24	Chapter 2	
Jan 29	review for Exam #1	
<b>Jan 31</b>	<b>First Exam</b> (chapters 1 & 2, Apx. A)	
Feb 5	Chapter 3: Demand Theory	<b>MAKE WEIGHTING CHOICE</b>
Feb 7	Chapter 3	
Feb 12	Chapter 4: Consumer Behavior and Rational Choice	<b>FE Outline due</b>
<i>Feb 14</i>	<i>no class O'Hara at Academy of Economics and Finance</i>	
Feb 19	Chapter 5: Estimating Demand Functions & Apx. B: Normal, $t$ , and $F$ Distributions	
Feb 21	Chapter 6: Business and Economic Forecasting	
Feb 26	Chapter 7: Production Theory	
Feb 28	Chapter 7	
Mar 5	Chapter 8: Technological Change and Industrial Innovation	
Mar 7	Chapter 9: Analysis of Costs	
Mar 12	review for Midterm Exam	<b>FE Rough Draft due</b>
<b>Mar 14</b>	<b>Midterm Exam (chapters 1 through 9, Apx. A &amp; B)</b>	
<i>Mar 19</i>	<i>no class SPRING BREAK</i>	
<i>Mar 21</i>	<i>no class SPRING BREAK</i>	
Mar 26	chapter 11: Perfect Competition, Monopoly, and Monopolistic Competition	
Mar 28	chapter 12: Oligopoly	
Apr 2	chapters 11 & 12 together	
<i>Apr 4</i>	<i>no class O'Hara at American Academy of Economic and Financial Experts</i>	
Apr 9	chapters 10 & 13: skim Linear Programming & skim Game Theory	
Apr 11	chapter 14: Pricing Techniques	
Apr 16	chapter 14	<b>FE Final Draft due</b>
Apr 18	chapters 15 & 16: skim Risk Analysis & skim Capital Budgeting	
Apr 23	chapter 17: Government and Business	
Apr 25	chapter 18: Managerial Economics: Taking a Global View	
<b>Apr 30</b>	<b>(FE Presentations, if any) review whole course</b>	<b>student evaluations</b>
May 2	review whole course	
<b>Tues May 7</b>	10:00 - 10:15 review	
	10:15 - noon <b>Final Exam</b> (chapters 1 through 18, Apx. A & B)	