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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 **30%** of the course grade.

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:

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 worth 30% of the course grade. That 30% is obtained by reducing the value of the Midterm Exam and the Comprehensive Final Exam by 15% each so that each has the value, respectively, of 15% and 30%.

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 Outline is worth 5% of the course grade and is due **February 5**. The Rough Draft is worth 5% and is due **March 12**. The Final Draft is worth 10% and is due **April 16**. The Presentation is worth 10% and is due **April 30**.

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
Jan 31	First Exam (chapters 1 & 2, Apx. A)
Feb 5	Chapter 3: Demand Theory
Feb 7	Chapter 3
	FE Outline due
Feb 12	Chapter 4: Consumer Behavior and Rational Choice
Feb 14	<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
Mar 14	Midterm Exam (chapters 1 through 9, Apx. A & B)
	FE Rough Draft due
Mar 19	<i>no class SPRING BREAK</i>
Mar 21	<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
Apr 4	<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
Apr 18	chapters 15 & 16: skim Risk Analysis & skim Capital Budgeting
	FE Final Draft due
Apr 23	chapter 17: Government and Business
Apr 25	chapter 18: Managerial Economics: Taking a Global View
Apr 30	(FE Presentations, if any) review whole course
May 2	review whole course
	student evaluations
Tues May 7	10:00 - 10:15 review
	10:15 - noon Final Exam (chapters 1 through 18, Apx. A & B)