

Course Syllabus

Course Information

<i>Course Number/Section</i>	ECON 4310.001
<i>Course Title</i>	Managerial Economics
<i>Term</i>	Fall 2016
<i>Days & Times</i>	T 4-6:45pm (GR 3.606)

Professor Contact Information

<i>Professor</i>	Daniel G. Arce M. Ashbel Smith Professor of Economics UT System Regents' Outstanding Teacher
<i>Office Phone</i>	972/883-6857
<i>Email Address</i>	darce@utdallas.edu
<i>Office Location</i>	GR 2.534
<i>Office Hours</i>	M 10-11am, Th, 3-4pm (or by appointment)
<i>Other Information</i>	Feel free to drop in.

Course Pre-requisites, Co-requisites, and/or Other Restrictions

ECON 2302

Calculus will be kept to a minimum in this course.

Course Description

The purpose of this course is to reinforce and build upon the method of critical thinking and quantitative decision making introduced in principles of economics. We will do this by investigating the beauty of economics as it applies to business decision-making and strategy.

Student Learning Objectives/Outcomes

1. Understand the difference between the economic and accounting definitions of profit.
2. Understand the behavior of total revenue and its implications for profit maximization.
3. Recognize how considerations of scale, scope, and *learning by doing* affect costs.
4. Compare different pricing and production criteria for firms.
5. Tailor pricing strategies for different markets.
6. Understand the strategic differences between capacity, price, and location decisions for competition among rival firms.
7. Understand how differences in types of auctions can lead to differences in bidder behavior and the price a seller receives.
8. Recognize the difference between ethical actions by a firm and ethical preferences of a firm.

Required Textbooks and Materials

Required Materials

For each class meeting please bring the course notes available on eLearning

Suggested Course Materials

Suggested Materials

No suggested text as we are to cover the topics that managers find of interest rather than topics that economists find of interest.

Tentative Assignments & Course Calendar

Day	Date	Topic
T	23 Aug	Syllabus and experiment
		ABC's of Demand
T	30 Aug	Elasticity
		Revenue and Elasticity Economic Profit
T	6 Sept	Profit maximization
		Cost and Strategy
		New Product Pricing
T	13 Sept	Group Problem Set #1 Due
		Learning & Experience Curves
T	20 Sept	Exam 1
T	27 Sept	Market Structure
		Perfect Competition
		Monopoly Monopolistic Competition
T	4 Oct	Stay-Even Analysis
		Price Discrimination
T	11 Oct	Game Theory Introduction
		Nash Equilibrium

Day	Date	Topic
T	18 Oct	Group Problem Set #2 Due
		Introduction to Auctions
		Common versus Private value auctions
T	25 Oct	Exam 2
T	1 Nov	Game Theory and Duopoly
		Extensive form Games
T	8 Nov	Supergames and Collusion
		Cartel Concerns
T	15 Nov	Extensive form Applications
		Bargaining: Nash and Rubinstein Models
T	29 Nov	Group Problem Set #3 Due
		Procurement Auctions
		Business Ethics
T	6 Dec	Exam 3 (Final Exam)

Grading Policy

Method of Evaluation	Percentage of Grade
Problem Sets	30%
Exam I	35%
Final Exam	35%

Note:

1. Final grades/averages: 98+: A+, 92-7:A, 90-1:A-, 88-9:B+, 82-87:B, 80-1:B-, 78-9:C+, 72-7:C, 70-1:C, 68-9:D+, 62-67:D, 60-1:D-, 59↓:F. This scale is guaranteed, but is flexible downward.
2. If you have the need to earn a grade in this course that is above a certain threshold because you are on scholarship, academic probation, will be graduating, etc.; then it is **YOUR RESPONSIBILITY** to ensure that this happens. Final grades are determined according to the above scale and are **NOT** negotiated at the end of the semester.
3. Handouts for each lecture are available for my class via eLearning. It is **required** that you bring a handout to every class. I suggest that you read the handout prior to class.
4. **IN-CLASS GROUP ASSIGNMENTS:** Your average grade over all in-class assignments will count as a quiz. If you turn in all the in-class assignments, you can drop your lowest grade. If you miss an in-class assignment that is the grade I will drop. Any other missed assignments will count as zero.
5. Instructions for working on group problem sets
 - Limit groups to minimum of 3 and maximum of 4 classmates.
 - If you come to my office asking about a problem, I'm going to ask you who is in your group. It is recommended (but not required) to come as a group.
 - **All** answers (including short answer questions) must include artwork and/or algebra unless *explicitly* specified.
 - Correct answers without accompanying (and correct) economic analysis will receive zero credit.
 - To receive partial credit, you must **show your work**.
 - Your answers are required to be concise and self-explanatory.
 - Keep your creative writing skills on a leash.
6. Although you are required to do ALL of the assigned problems only a **SUBSET** of the problems will be graded. The problems to be graded will be identified in class on the day that they are turned in.
7. **Special Accommodations:** If you have a condition documented by the Student Disability Services Office, please see me ASAP. My policy is to meet your needs simultaneously with the scheduled exams and quizzes.

Course Policies

Make-up exams

The only excused absences are for officially sanctioned college events. All work for excused absences is to be completed and turned in ahead of time. This includes exams.

Extra Credit

I reserve the right to reward judicious individual class participation by raising one's final grade by a maximum of half a letter grade. Attendance is not participation (neither are office hours).

Class Attendance

Attendance is **NOT** required. You should be aware; however, that attendance is the single most important factor determining your grade. No attendance policy implies (a) that I will not give make-up lectures during office hours, (b) you are responsible for reconciling the missed lecture with its accompanying handout by consulting with a fellow student who attended, and (c) attendance (after participation) is one of the first things I will look at when considering borderline grades as it certainly makes a difference at the margin.

Keys to Success

1. This class is about **thinking**; no questions will be asked that reward memorization.
2. Managerial economics is a full contact experience. The best way to learn managerial economics is by doing it. Periodically, I will entertain questions in class about how to solve assigned questions. Be prepared for such occasions by attempting the recommended problems far in advance.
3. **Feel free to ask questions in class.**
4. **You are also welcome to come to my office hours. Be aware that it is likely that I will ask you as many questions as you ask me. I treat office hours as if they are an extension of class.**
5. An Email message distributed to class 36 or more hours prior to an event is considered “fair warning.” Check your **UTD email** regularly.
6. If you are absent on the day that a quiz or exam is returned, you may pick it up in my office.
7. *Claims* against grading can only be made until the due date of the next graded assignment of *any* type. I will discuss the *material* from any evaluation at any time.
8. If I do not cover a topic in class or on the *assigned problems*, then I will **not** be asking about it on exams. This class is predominantly lecture- and problem set-driven.
9. **Learning is achieved not only through *doing* the problems but by reflecting on what you have done/learned. Reflecting is about getting the meaning.**
10. This class is about **thinking**; no questions will be asked that reward memorization.

The remainder of the syllabus boilerplate can be found on-line on eLearning.

Technical Support

If you experience any problems with your UTD account you may send an email to: assist@utdallas.edu or call the UTD Computer Helpdesk at 972-883-2911.

Field Trip Policies / Off-Campus Instruction and Course Activities

Off-campus, out-of-state, and foreign instruction and activities are subject to state law and University policies and procedures regarding travel and risk-related activities. Information regarding these rules and regulations may be found at the website address

http://www.utdallas.edu/BusinessAffairs/Travel_Risk_Activities.htm. Additional information is available from the office of the school dean. Below is a description of any travel and/or risk-related activity associated with this course.

Student Conduct & Discipline

The University of Texas System and The University of Texas at Dallas have rules and regulations for the orderly and efficient conduct of their business. It is the responsibility of each student and each student organization to be knowledgeable about the rules and regulations which govern student conduct and activities. General information on student conduct and discipline is contained in the UTD printed publication, *A to Z Guide*, which is provided to all registered students each academic year.

The University of Texas at Dallas administers student discipline within the procedures of recognized and established due process. Procedures are defined and described in the *Rules and Regulations, Series 50000, Board of Regents, The University of Texas System*, and in Title V, Rules on Student Services and Activities of the university's *Handbook of Operating Procedures*. Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations (SU 1.602, 972/883-6391) and online at <http://www.utdallas.edu/judicialaffairs/UTDJudicialAffairs-HOPV.html>

A student at the university neither loses the rights nor escapes the responsibilities of citizenship. He or she is expected to obey federal, state, and local laws as well as the Regents' Rules, university regulations, and administrative rules. Students are subject to discipline for violating the standards of conduct whether such conduct takes place on or off campus, or whether civil or criminal penalties are also imposed for such conduct.

Academic Integrity

The faculty expects from its students a high level of responsibility and academic honesty. Because the value of an academic degree depends upon the absolute integrity of the work done by the student for that degree, it is imperative that a student demonstrate a high standard of individual honor in his or her scholastic work.

Scholastic Dishonesty, any student who commits an act of scholastic dishonesty is subject to discipline. Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusion, and the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.

Plagiarism, especially from the web, from portions of papers for other classes, and from any other source is unacceptable and will be dealt with under the university's policy on plagiarism (see general catalog for details). This course will use the resources of turnitin.com, which searches the web for possible plagiarism and is over 90% effective.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted materials, including music and software. Copying, displaying, reproducing, or distributing copyrighted works may infringe the copyright owner's rights and such infringement is subject to appropriate disciplinary action as well as criminal penalties provided by federal law. Usage of such material is only appropriate when that usage constitutes "fair use" under the Copyright Act. As a UT Dallas student, you are required to follow the institution's copyright policy (Policy Memorandum 84-I.3-46). For more information about the fair use exemption, see <http://www.utsystem.edu/ogc/intellectualproperty/copypol2.htm>

Email Use

The University of Texas at Dallas recognizes the value and efficiency of communication between faculty/staff and students through electronic mail. At the same time, email raises some issues concerning security and the identity of each individual in an email exchange. The university encourages all official student email correspondence be sent only to a student's U.T. Dallas email address and that faculty and staff consider email from students official only if it originates from a UTD student account. This allows the university to maintain a high degree of confidence in the identity of all individual corresponding and the security of the transmitted information. UTD furnishes each student with a free email account that is to be used in all communication with university personnel. The Department of Information Resources at U.T. Dallas provides a method for students to have their U.T. Dallas mail forwarded to other accounts.

Withdrawal from Class

The administration of this institution has set deadlines for withdrawal of any college-level courses. These dates and times are published in that semester's course catalog. Administration procedures must be followed. It is the student's responsibility to handle withdrawal requirements from any class. In other words, I cannot drop or withdraw any student. You must do the proper paperwork to ensure that you will not receive a final grade of "F" in a course if you choose not to attend the class once you are enrolled.

Student Grievance Procedures

Procedures for student grievances are found in Title V, Rules on Student Services and Activities, of the university's *Handbook of Operating Procedures*.

In attempting to resolve any student grievance regarding grades, evaluations, or other fulfillments of academic responsibility, it is the obligation of the student first to make a serious effort to resolve the matter with the instructor, supervisor, administrator, or committee with whom the grievance originates (hereafter called "the respondent"). Individual faculty members retain primary responsibility for assigning grades and evaluations. If the matter cannot be resolved at that level, the grievance must be submitted in writing to the respondent with a copy of the respondent's School Dean. If the matter is not resolved by the written response provided by the respondent, the student may submit a written appeal to the School Dean. If the grievance is not resolved by the School Dean's decision, the student may make a written appeal to the Dean of Graduate or Undergraduate Education, and the dean will appoint and convene an Academic Appeals Panel. The decision of the Academic Appeals Panel is final. The results of the academic appeals process will be distributed to all involved parties.

Copies of these rules and regulations are available to students in the Office of the Dean of Students, where staff members are available to assist students in interpreting the rules and regulations.

Incomplete Grade Policy

As per university policy, incomplete grades will be granted only for work unavoidably missed at the semester's end and only if 70% of the course work has been completed. An incomplete grade must be resolved within eight (8) weeks from the first day of the subsequent long semester. If the required work to

complete the course and to remove the incomplete grade is not submitted by the specified deadline, the incomplete grade is changed automatically to a grade of **F**.

Disability Services

The goal of Disability Services is to provide students with disabilities educational opportunities equal to those of their non-disabled peers. Disability Services is located in room 1.610 in the Student Union. Office hours are Monday and Thursday, 8:30 a.m. to 6:30 p.m.; Tuesday and Wednesday, 8:30 a.m. to 7:30 p.m.; and Friday, 8:30 a.m. to 5:30 p.m.

The contact information for the Office of Disability Services is:

The University of Texas at Dallas, SU 22

PO Box 830688

Richardson, Texas 75083-0688

(972) 883-2098 (voice or TTY)

disabilityservice@utdallas.edu

If you anticipate issues related to the format or requirements of this course, please meet with the Coordinator of Disability Services. The Coordinator is available to discuss ways to ensure your full participation in the course. If you determine that formal, disability-related accommodations are necessary, it is very important that you be registered with Disability Services to notify them of your eligibility for reasonable accommodations. Disability Services can then plan how best to coordinate your accommodations.

It is the student's responsibility to notify his or her professors of the need for such an accommodation. Disability Services provides students with letters to present to faculty members to verify that the student has a disability and needs accommodations. Individuals requiring special accommodation should contact the professor after class or during office hours.

Religious Holy Days

The University of Texas at Dallas will excuse a student from class or other required activities for the travel to and observance of a religious holy day for a religion whose places of worship are exempt from property tax under Section 11.20, Tax Code, Texas Code Annotated.

The student is encouraged to notify the instructor or activity sponsor as soon as possible regarding the absence, preferably in advance of the assignment. The student, so excused, will be allowed to take the exam or complete the assignment within a reasonable time after the absence: a period equal to the length of the absence, up to a maximum of one week. A student who notifies the instructor and completes any missed exam or assignment may not be penalized for the absence. A student who fails to complete the exam or assignment within the prescribed period may receive a failing grade for that exam or assignment.

If a student or an instructor disagrees about the nature of the absence [i.e., for the purpose of observing a religious holy day] or if there is similar disagreement about whether the student has been given a reasonable time to complete any missed assignments or examinations, either the student or the instructor may request a ruling from the chief executive officer of the institution, or his or her designee. The chief executive officer or designee must take into account the legislative intent of TEC 51.911(b), and the student and instructor will abide by the decision of the chief executive officer or designee.

These descriptions and timelines are subject to change at the discretion of the Professor.