

**Managerial Economics**  
CRN 13168 - ECON 205 A01  
Pascal Courty  
University of Victoria

September-December 2011

Tuesday-Wednesday-Friday: 13:30 – 14:20 in COR B143

Office hours: Tu-Fr 11:30-12:20 in BEC 368 or email me at [pcourty@uvic.ca](mailto:pcourty@uvic.ca)

Teaching Assistant: Linda Wong

**Course Webpage:** <http://web.uvic.ca/~pcourty/ME-A11.htm>

**Course Description:** This is a course in applied microeconomics with a primary focus on the needs of managers. We study firms and markets, how they operate and how the market mechanism works. The first sessions are on the basics of competitive markets – supply and demand and the determination of prices and volumes. The later sessions cover strategic decision making, focusing on price setting, entry and exit, and bidding in auctions. The course concludes with discussion of market imperfections, incentives and regulation.

**Course Objectives:** The goal is to provide a range of economic tools and concepts to analyze market outcomes. The emphasis is on the practical relevance of these tools and concepts to manager, policy analyst, and other decision makers.

**Evaluation:** (a) Three problem sets based on real world case studies and formal exercises (25%). You have to hand in all problem sets. (b) iClicker participation (10%). (c) Two midterm exams on October 4<sup>th</sup> (20%) and November 2<sup>nd</sup> (20%). (d) Firm or industry project (25%). These assessments will be graded on a percentage scale, weighted as above into a numerical score that will be converted to a letter grade as follows:

90 - 100% = A+	85 - 89% = A	80 - 84% = A-
75 - 79% = B+	70 - 74% = B	65 - 69% = B-
60 - 64% = C+	55 - 59% = C	50 - 54% = D
0 - 49% = F	(No E grades will be assigned.)	

**Course Policies.**

I expect that you have read and understood the standard course policies regarding academic integrity (plagiarism and cheating), attendance, grading, academic concessions, travel plans, students with a disability, and inclusivity and diversity, which may be found at: [http://web.uvic.ca/econ/undergraduate/course\\_policies.php](http://web.uvic.ca/econ/undergraduate/course_policies.php)

**Textbooks and reading material**

The course will follow closely the book: “Managerial Economics” (2007) by Ivan Png and Dale Lehman, ISBN-978-1-4051-6047-6.

All course material (slides, assignments, course outline...) will be posted on the course website. I will also send you weekly emails using UVic mailing list to help you prepare for the course. I use the UVic mailing option of the FAST Student Reporting system. It is your responsibility that you make sure you receive these emails.

**iClicker:** To stimulate debate and discussion, I will use iClicker. Ten percent of the course grade is based on your participation with iClicker. From the third week onward, it is your responsibility to make sure that you bring to class your clicker registered and functioning. You will be graded on the basis of the fraction of questions you have answered during the entire course according to the following scale: 0/100 if you answered less than 25% of the questions, 50/100 if you answered more than 25% and less than 50%, 85/100 if answered more than 50% and less than 90%, 100/100 if answered more than 90% of the questions.

### **Course Outline**

Chapter 1 to 15 in Png and Lehman

1. Introduction
2. Demand
3. Elasticity
4. Supply
5. Competitive Mkts
6. Economic Efficiency
8. Monopoly
9. Pricing Policy
10. Strategic Thinking
11. Oligopoly
12. Externalities
13. Asymmetric Information
14. Incentives and Organization
15. Regulation

### **Important Dates:**

- Course midterm on October 4<sup>th</sup> and November 2<sup>nd</sup>.
- There is no final exam but you are required to be present on the three classes in the last week (November 29<sup>th</sup>-December 2<sup>nd</sup>).
- Due to an earlier commitment to serve on a PhD defense committee in Italy, there will be no class on Wednesday October 5<sup>th</sup>.