

**MANAGERIAL ECONOMICS ECO 3320-001**  
**Tuesday- Thursday 11:00 AM - 12:20 PM**  
**Holden Hall 00075**  
**Course Syllabus-Fall 2013**

**Professor:** Dr. Andres J. Vargas  
**Office:** HH 252  
**Office Hours:** Tues, Thu 9:30-10:30 am or by appointment  
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**Teaching Assistant:** Mr. Kazuyoshi Ishida  
**Office:** HH 246  
**Office Hours:** Mon, Wednesday, Friday 3:00 pm to 4:00 pm.  
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**Class Web Page:** Students should check **Blackboard** for information about the class.

**Required Textbook:** *Managerial Economics and Business Strategy*, McGraw-Hill, Eight edition, by Michael R. Baye and Jeffrey T. Prince

**Prerequisites:** ECO 2301 Principles of Economics I. During this course, it will be assumed that students have a solid background in geometry and algebra. Prior knowledge of calculus is **STRONGLY** recommended.

**Course Overview and Learning Outcomes:** This course provides students with the tools from intermediate microeconomic theory needed for good decision-making in a business or institutional context. It intends to increase the students understanding of economics and teach them a variety of techniques that will allow them to not only solve business problems, but also make informed personal financial and economic decisions. At the end of this course, students should be able to:

- Identify the fundamentals of demand;
- Apply the theory of individual behavior;
- Understand the production process and costs;
- Utilize the models and theories on the management of competitive, monopolistic, monopolistically competitive, and oligopolist firms;
- Identify and describe the various pricing strategies for firms with market power;
- Use the theory of economics of information.

This class is usually a challenging class with a significant work load. It emphasizes the kind of careful reasoning that you'd expect to find in a mathematics course. For those who enjoy math, this is exciting news. For those who have always tried to avoid math, it may be a bit frightening. Nevertheless, the mathematics we use in this course is pretty simple. If you did well in the prerequisite courses, and if you are willing to work hard you are likely to succeed in this course. Students should be prepared to spend substantial

time outside class on reading and problem assignments. The course starts out at a fast pace and builds on what you learn. Thus, I strongly recommend reading the textbook and solving the problems assigned concurrent with the topics discussed in lecture. This will help clarify the material covered in class and will expand on topics that, given the time constraints, cannot be covered in lecture.

**Course Requirements and Assessment:**

<b>Outcome Assessments</b>	
<b>Midterm 1:</b>	<b>25% September 17<sup>th</sup></b>
<b>Midterm 2:</b>	<b>25% October 10<sup>th</sup></b>
<b>Midterm 3:</b>	<b>25% November 5<sup>th</sup></b>
<b>Final Exam:</b>	<b>25% December 11<sup>th</sup> 1:30 pm - 4:00 pm HH 075</b>
<b>Total:</b>	<b>100%</b>

\*\*\*\*\*There is no extra credit\*\*\*\*\*

**Problem Sets:** The single best way to learn economics is to work lots and lots of problems. The problem sets will be posted on Blackboard on the day we start covering a new chapter. **They do not have to be turned in.** These problems are designed to help you use the ideas presented in the text creatively, to lead you through an investigation of some concept, and to give you an idea of the kind of questions you will find on the exams. Some of the problems are designed to be challenging. Others are routine. Do not be disappointed if you cannot do all of the problems correctly when you first set out to do them. You will find that it takes practice to develop the ability for solving problems. The single best way to learn economics is to work lots and lots of problems. Besides the problems assigned, you are encouraged to try all of the *conceptual and computational questions* in the relevant chapters of the *textbook*, except those dealing with sections of the textbook that we explicitly skip. The solutions to these problems will be posted on Blackboard.

I would encourage students to make use of the T.A. and my office hours during the semester and not wait until the day before the exam. If you are having difficulty with concepts early on, then it is likely that your difficulties will snowball and that there will be insufficient time to deal with your problems close to the exams. So please make use of the office hours to sort out difficulties as they arise.

**Exams:** There are three mid-term exams, which will be given in class. Each mid-term counts 25 percent of your final grade. The final exam is cumulative and also counts for 25 percent of your final grade. **There is no extra credit.** The tests are multiple choice. These will test not only the material covered in class but also the material contained in the corresponding chapter of the text book.

Please bring to the exams a #2 soft lead pencil, an orange scantron, and your photo ID. You can bring a calculator to the exam, but it has to be a **simple calculator** that can't store text or graph. You **can't** use the calculator on your phone or PDA device.

**Make-up examinations:** It is your responsibility to arrive at the exam on time. Exams will be held in our regular classroom. Students who arrive late will not be given additional time, and anyone arriving after other students have finished will not be permitted to take the exam.

Failing to take a scheduled examination will result in a score of 0 unless replaced by a make-up exam in a timely fashion. ‘Make-up’ examinations are given at the discretion of the instructor, and will only be given in cases where there is a documented excuse beyond your reasonable control:

- Illness – you must have a physician note indicating that you were not in a physical condition to take the exam at the scheduled time. A note from a family member is insufficient.
- Death or grave illness in your immediate family.
- Significant scheduling conflicts such as job interviews or official TTU business. In this case, you must inform the instructor before the scheduled exam you may miss so that an alternate exam time can be scheduled.

No exam will be made-up after it has been graded and returned to the class.

**Grading:** All the grades will be posted on Blackboard. If you feel like a grading error was made, you may submit a **typed** appeal within a week (7 days) of when the grade was returned to you. Your written appeal should be based on course materials and should stress the validity of your original response. Please **staple** your typed justification to your original exam. In grading (and re-grading) we will strive for fairness and consistency.

**Civility in the Classroom:** Students are expected to assist in maintaining a classroom environment that is conducive to learning. In order to assure that all students have the opportunity to gain from time spent in class, unless otherwise approved by the instructor; students are prohibited from engaging in any other form of distraction, such as reading the newspaper. Inappropriate behavior in the classroom shall result, minimally, in a request to leave class. **Wireless phones** must be turned off during class time.

*Please arrive on time to class and stay for the entire class period.* Late arrivals and early departures are disruptive. If despite your best effort you arrive late, please quietly take a seat at the back of the classroom. Similarly, in the rare event that you must leave class early talk to me before the class starts to let me know, then sit close to the rear door and leave as unobtrusively as possible. If you can't be there on time or must always leave early because of a class or work conflict, either seek specific permission from me or do not take the class. During exams, ask permission before leaving to use the restroom. Try to use the restroom before coming to class.

**Attendance Policy:** Regular and punctual attendance at all scheduled classes is expected. *Attendance will be monitored daily.* Each class you will have to sign an attendance sheet. **IT IS YOUR RESPONSIBILITY TO SIGN THE ATTENDANCE SHEET.** You will be counted absent if you fail to do so. Signing attendance lists for absent students and asking classmates to sign class attendance lists are considered as cheating (see below).

An absence is defined as the following:

1. Failing to attend a scheduled class
2. Missing 15 or more minutes of a scheduled class
3. Leaving class early without notifying the instructor and obtaining approval from the instructor

In order for an absence to be excused, you must bring written documentation to class or my office hours **within one week of your absence** (see above for the accepted documented excuses beyond your reasonable control).

If you don't have any absences between midterms, you will get **4 bonus points** in that midterm. On the other hand, excessive absences (over 7 classes during the semester) will result in (i) informing the dean of students to take proper action, (ii) lowering your final grade from A to B, from B to C, from C to D, or from D to F.

**Academic Integrity and Dishonesty:** All students are expected to follow the policies of Texas Tech University as outlined in the undergraduate catalog. Cheating and plagiarism will not be tolerated. Terms associated with academic misconduct are explained in the current Code of Student Conduct.

Students that knowingly take any action that violates the Texas Tech University Code of Student Conduct are subject to disciplinary action including, but not limited to, the possibility of failure in the course.

**Students with Disabilities:** I would like to hear from anyone who has a disability that may require some modification of the seating, testing, or other class requirements so that appropriate arrangements may be made. Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements. Students should present appropriate verification from Student Disability Services during the instructor's office hours. Please note instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, you may contact the Student Disability Services office in 335 West Hall or 806-742-405.

**Religious Holy Days:** Religious holy days sometimes conflict with class and examination schedules. The University policy is that students that miss course work due to the observance of a religious holy day must be given the opportunity to complete the work missed within a reasonable time after the absence. Notification must be made in writing and delivered in person to the instructor no later than the 15th class day of the semester.

**Student Counseling Center:** I realize that all of you have a lot going on in your lives outside of your classes. If these responsibilities or circumstances lead to mental or emotional difficulties, the Student Counseling Center provides short-term, confidential

counseling and consultation to students who are experiencing emotional and psychological problems that are interfering with their ability to be successful in school and with their individual personal development. All students currently registered for classes are eligible for services at the Student Counseling Center. This clinic is a valuable resource and does not require an appointment. You can find the Student Counseling Center in room 201 of the Student Wellness Center or contact the staff at 806-724-3674.

**Student Resolution Center** I am committed to providing students with a respectful environment that is conducive to learning. If you feel such conditions are not being met, please do not hesitate to contact me. If you feel uncomfortable approaching me with issues, The Student Resolution Center at the Texas Tech University provides informal, neutral, and confidential dispute resolution services. They assist people with interpersonal misunderstandings or disputes as well as those with concerns about academic or administrative issues. You may visit the Student Resolution Center in 232E Student Union Building or call 742-SAFE or 743-SAFE.

Managerial Economics - ECO 3320			
Tentative Class Schedule - Fall 2013			
Week	Date	Chapter Covered	Topic Covered/ Class Activity
1	27-Aug	Introduction	Calculus Review
	29-Aug	Ch. 3	Quantitative Demand Analysis / PS1 Posted on Blackboard
2	3-Sep	Ch. 3	
	5-Sep	Ch3/ Ch. 4	The Theory of Individual Behavior / PS2 Posted on Blackboard
3	10-Sep	Ch. 4	
	12-Sep	Ch. 4	
4	<b>17-Sep</b>		<b>First Midterm</b>
	19-Sep	Ch. 5	The Production Process and Cost / PS3 Posted on Blackboard
5	24-Sep	Ch. 5	
	26-Sep	Ch. 5	
6	1-Oct	Ch. 8	Managing in Competitive, Monopolistic, and Monopolistically Competitive Markets / PS4 Posted on Blackboard
	3-Oct	Ch. 8	
7	8-Oct	Ch. 8	
	<b>10-Oct</b>		<b>Second Midterm</b>
8	15-Oct	Ch. 9	Basic Oligopoly Models / PS5 Posted on Blackboard
	17-Oct	Ch. 9	
9	22-Oct	Ch. 9	
	24-Oct	Ch. 10	Game Theory: Inside Oligopoly / PS6 Posted on Blackboard
10	29-Oct	Ch. 10	
	31-Oct	Ch. 10	
11	<b>5-Nov</b>		<b>Third Midterm</b>
	7-Nov	Ch. 11	Pricing Strategies for Firms with Market Power / PS7 Posted on Blackboard
12	12-Nov	Ch. 11	
	14-Nov	Ch. 11	
13	19-Nov	Ch. 12	The Economics of Information / PS8 Posted on Blackboard
	21-Nov	Ch. 12	
14	26-Nov	Ch. 12	
	28-Nov	Thanks Giving	
15	3-Dec		Review before Final Exam
	<b>11-Dec</b>	<b>Final Exam</b>	<b>1:30 p.m. to 4:00 p.m. Holden Hall 075</b>