

**ECO 450: Course Syllabus**  
**Spring 2003**

- Course Title:* Managerial Economics
- Meetings:* 11:00-12:15 Tuesday and Thursday in Computer Center 106
- Text:* Maurice/Thomas, Managerial Economics, 7th Edition, McGraw-Hill Irwin.
- Instructor:* Dr. Sheena Bunnell
- Office:* Room 312 Roberts Learning Center
- Hours:* Tuesday 12:15-2:15 and/or by Special Appointment. I will also be posting special office hours on Black Board on a regular basis to provide you with further assistance.
- Purpose:* These hours are set aside to assist you individually with questions you may have about the course or its materials. Please do come by and see me for assistance.
- E-Mail:* sbunnell@maine.edu. Please feel free to reach me electronically and I will try my best to get back to you as soon as possible.
- Grading:* Your grade for this course will be based by my evaluation of your work. I will take an average of your grade in the following categories:
- |                  |     |                     |     |
|------------------|-----|---------------------|-----|
| Mid Term Exam #1 | 25% | Regression Analysis | 10% |
| Mid Term Exam #2 | 25% | Term Paper          | 10% |
| Final Exam       | 25% | Class Participation | 5%  |

**Academic Dishonesty**

Academic dishonesty is a serious breach of educational integrity and includes plagiarism, as well as cheating on assignments, quizzes, tests, and examinations. It is also dishonest for students to use their own work (new or old) for more than one course without getting explicit permission from both instructors or from the UMF instructor if the work was used at another school. The penalty for such behavior in this course will result in a failing grade for the work/exam in question. The Student Conduct Committee will also be notified of the case.

**Accommodation for Disabilities**

If you have a disability that requires special accommodations to meet the expectations of this course, please inform the instructor as early in the semester as possible. Also see Claire Nelson in the Office of Students with Disabilities, 4<sup>th</sup> floor of Merrill Hall, ext. 7295 to obtain assistance and written documentation.

*Regression Analysis:* Each student will be asked to pair up with another student for the sole purpose of working together on an applied econometrics analysis. You can decide what kind of a study is of most interest to you. Data sources are available on the economic websites that will be made known to you. Past students have turned in analyses of a wide range of topics that include a Fortune 500 company analysis, a cross country macroeconomic study, cross country crime analysis, an economic study of Maine, an industry analysis, a healthcare study etc. The results of your analysis will be presented formally to the class during the end of the semester.

*Industry Analysis:* An industry analysis is a very valuable tool for developing and applying the principal concepts learned in this course. Please refer to your course outline to capture as many topics as you can! I will provide you with a framework for analysis. This analysis is an applied microeconomic project and it will not require quantification. You will be expected to analyze an industry of your choice that fits within the framework of the market structures that you find most interesting. Past students have turned in analyses of a wide range of industries, including the ski industry, the automobile industry, the computer industry, the pharmaceutical industry, the telecommunications industry, the paper mill industry, the airline industry etc. I will have a sign up sheet posted early on in the semester so that you can share your findings with the class anytime during the course of the semester. The final version of your paper (approximately 10 pages) is due on May1, 2003.

*Class Participation:* Participation is broadly defined and includes participation in the classroom and participation in the class group. One way in which I will encourage participation is that I will assign questions to students prior to our class meetings, so that they have some advance notice and can be better prepared. I will assign several computer exercises during the term, related to your course work. You should treat them as part of your class preparation, and be prepared to discuss your work. Each student is required to be well versed in a computer statistical package. We will be using SYSTAT 10.0 for Windows in class.

*Course Objectives:* The primary objective of this course is to familiarize students with the use of economic theory in business situations. This will be accomplished primarily through the use of statistical and mathematical tools in managerial decision-making. As you progress through this course of study, you will observe how econometrics can be applied to a wide variety of management decisions in both public and private sectors of the economy. Implementing economic concepts in decision-making has the following benefits:

- The analysis generates advantageous data.
- It allows decision makers to define problems clearly.
- Relevant policy implications are better understood.

## Tentative Course Schedule

### **Part I: Overview of Managerial Economics**

The Nature and Scope of Managerial Economics	Chapter 1	Jan 21
Regression Analysis and Statistical Analysis	Chapter 5 Class Notes	Jan 23- Feb 13

### **Part II: Demand Analysis**

Demand and Supply	Chapter 2	Feb 25
Demand Analysis and Estimation	Chapter 7 Class Notes	Feb 27- March 4
Demand Forecasting	Chapter 8	March 6

### Mid Term Exam 1 March 11, 2003

### **Part III: Production and Cost Analysis**

Production Analysis and Estimation	Chapter 9,10 Class Notes	March 13
Cost Analysis and Estimation	Chapter 11	March 18-20

### **Part IV: Market Structure Analysis**

Perfect Competition	Chapter 12	March 25-27
Monopoly	Chapter 13	April 1-3

### Mid Term Exam 2 April 8, 2003

### **Part IV: Market Structure Analysis**

Monopolistic Competition and Oligopoly	Chapter 14 Class Notes	April 10
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### **Part V: Long Term Investment Decisions**

Investment Decisions	Chapter 18	April 15
Class notes		April 17
Special Topics/Discussion		April 29
Presentations		May 1-8
Finals Week		May 12-16

