ECON 5313-002: Managerial Economics  
Fall 2012

Time and Place of Class Meetings: Thursday, 2:00pm-4:50pm, COBA 140

Instructor: Professor Olga Isengildina

Office Number: College of Business, Office 331

Office Telephone Number: 817-272-3286

Email Address: Isengild@uta.edu

Office Hours: Tuesday 3:00pm-4:00pm and by appointment (email to set up)

Graduate Teaching Assistant: TBA

Description of Course Content: Managerial economics applies economic theory and methods to business and administrative decision-making in order to achieve goals and objectives of organizations in the most efficient way. Thus, this course will provide an understanding of how to link economic theory with quantitative methods to develop tools and approaches for managerial decision-making.

Prerequisites: Economics 5311 or consent of the instructor.

Student Learning Outcomes:  
After completing this class you should be able to:
  - Use the rational-actor paradigm to predict firm and individual behavior
  - Compute the relevant costs of any decision
  - Use marginal analysis to make extent (how much) decisions
  - Make investment decisions that increase firm value
  - Set optimal prices and price discriminate
  - Predict industry-level changes using demand/supply analysis
  - Develop long-run strategies to increase firm value
  - Make decisions in uncertain environments
  - Solve the problems caused by moral hazard and adverse selection
  - Align individual incentives with the goals of the company.

Required Textbook:  

Blackboard  
I will use Blackboard, and electronic learning software platform, for the distribution of course information. There are detailed instructions on the use of Backboard that can be accessed at
**Grading Policy:**

- **Practice assignments:** 15%
- **Midterm Exam** 30%
- **Project** 20%
- **Final Exam** 35%
- **Final Grade** 100%

**Practice problems:** Multiple practice assignments will be given throughout the semester and graded on the pass/fail basis. Your practice problem grade will reflect proportion of completed assignments that was awarded a pass.

**Exams:** Please see attached course outline for exam dates. If you have conflicts with the exam dates contact me immediately (prior to the exam dates). Missed exams will be given a grade of zero unless adequate evidence is presented to indicate that missing the exam could not be avoided. Requests to take a make-up exam must be approved prior to the scheduled exam. Final exam is comprehensive and mandatory and could be used as a makeup exam for one of the earlier exams if the sufficient documentation is provided. Students may not use a programmable calculator for examinations. A simple 4 function calculator is sufficient for all problems. Please no cell phones or baseball hats in class.

**The project** will consist of a feasibility study or initial business plan development for a business of your choice. Students will work in groups. The project will be graded based on the written report and an in-class presentation.

If you disagree with a grade on an exam, or an assignment, **written justification** (not an e-mail) shall be submitted to the instructor within 1 week of the received grade.

**The final grades** will be assigned as follows: 90-100% (A); 80-89.9% (B); 70-79.9% (C); 60-69.9% (D); <59.9% (F). Class participation and progress may be taken into account in assigning final grades.

**Drop Policy:** Students may drop or swap (adding and dropping a class concurrently) classes through self-service in MyMav from the beginning of the registration period through the late registration period. After the late registration period, students must see their academic advisor to drop a class or withdraw. Undeclared students must see an advisor in the University Advising Center. Drops can continue through a point two-thirds of the way through the term or session. It is the student's responsibility to officially withdraw if they do not plan to attend after registering. Students will not be automatically dropped for non-attendance. Repayment of certain types of financial aid administered through the University may be required as the result of dropping classes or withdrawing. For more information, contact the Office of Financial Aid and Scholarships (http://wweb.uta.edu/ses/faq).

**Americans with Disabilities Act:** The University of Texas at Arlington is on record as being committed to both the spirit and letter of all federal equal opportunity legislation, including the *Americans with Disabilities Act (ADA).* All instructors at UT Arlington are required by law to provide "reasonable accommodations" to students with disabilities, so as not to discriminate on the basis of that disability. Any student requiring an accommodation for this course must provide the instructor with official documentation in the form of a letter certified by the staff in the Office for Students with Disabilities, University Hall 102. Only those students who have officially documented
a need for an accommodation will have their request honored. Information regarding diagnostic
criteria and policies for obtaining disability-based academic accommodations can be found at
www.uta.edu/disability or by calling the Office for Students with Disabilities at (817) 272-3364.

**Academic Integrity:** All students enrolled in this course are expected to adhere to the UT Arlington
Honor Code:

*I pledge, on my honor, to uphold UT Arlington’s tradition of academic integrity, a tradition that
values hard work and honest effort in the pursuit of academic excellence.*

*I promise that I will submit only work that I personally create or contribute to group collaborations,
and I will appropriately reference any work from other sources. I will follow the highest standards of
integrity and uphold the spirit of the Honor Code.*

Instructors may employ the Honor Code as they see fit in their courses, including (but not limited to)
having students acknowledge the honor code as part of an examination or requiring students to
incorporate the honor code into any work submitted. Per UT System Regents’ Rule 50101, §2.2,
suspected violations of university’s standards for academic integrity (including the Honor Code) will
be referred to the Office of Student Conduct. Violators will be disciplined in accordance with
University policy, which may result in the student’s suspension or expulsion from the University.

**Student Support Services:** UT Arlington provides a variety of resources and programs designed to
help students develop academic skills, deal with personal situations, and better understand concepts
and information related to their courses. Resources include tutoring, major-based learning centers,
developmental education, advising and mentoring, personal counseling, and federally funded
programs. For individualized referrals, students may visit the reception desk at University College
(Ransom Hall), call the Maverick Resource Hotline at 817-272-6107, send a message to
resources@uta.edu, or view the information at www.uta.edu/resources.

**Electronic Communication:** UT Arlington has adopted MavMail as its official means to
communicate with students about important deadlines and events, as well as to transact university-
related business regarding financial aid, tuition, grades, graduation, etc. All students are assigned a
MavMail account and are responsible for checking the inbox regularly. There is no additional charge
to students for using this account, which remains active even after graduation. Information about
activating and using MavMail is available at http://www.uta.edu/oit/cs/email/mavmail.php.

**Student Feedback Survey:** At the end of each term, students enrolled in classes categorized as
lecture, seminar, or laboratory shall be directed to complete a Student Feedback Survey (SFS).
Instructions on how to access the SFS for this course will be sent directly to each student through
MavMail approximately 10 days before the end of the term. Each student’s feedback enters the SFS
database anonymously and is aggregated with that of other students enrolled in the course. UT
Arlington’s effort to solicit, gather, tabulate, and publish student feedback is required by state law;
students are strongly urged to participate. For more information, visit http://www.uta.edu/sfs.

**Final Review Week:** A period of five class days prior to the first day of final examinations in the
long sessions shall be designated as Final Review Week. The purpose of this week is to allow
students sufficient time to prepare for final examinations. During this week, there shall be no
scheduled activities such as required field trips or performances; and no instructor shall assign any
themes, research problems or exercises of similar scope that have a completion date during or
following this week *unless specified in the class syllabus.* During Final Review Week, an instructor
shall not give any examinations constituting 10% or more of the final grade, except makeup tests and laboratory examinations. In addition, no instructor shall give any portion of the final examination during Final Review Week. During this week, classes are held as scheduled. In addition, instructors are not required to limit content to topics that have been previously covered; they may introduce new concepts as appropriate.

**Tentative Course Schedule.**

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>F&amp;M Chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/23/2012</td>
<td>Introduction. The one lesson of business</td>
<td>1, 2</td>
</tr>
<tr>
<td>8/30/2012</td>
<td>Benefits, Costs, Marginal Analysis</td>
<td>3, 4</td>
</tr>
<tr>
<td>9/6/2012</td>
<td>Investment analysis, economies of scale</td>
<td>5, 7</td>
</tr>
<tr>
<td>9/13/2012</td>
<td>Elasticities and pricing</td>
<td>6</td>
</tr>
<tr>
<td>9/20/2012</td>
<td>Market and Industry analysis</td>
<td>8, 9</td>
</tr>
<tr>
<td>9/27/2012</td>
<td>Pricing</td>
<td>12, 13</td>
</tr>
<tr>
<td>10/4/2012</td>
<td>Pricing</td>
<td>14</td>
</tr>
<tr>
<td>10/11/2012</td>
<td>Exam 1.</td>
<td></td>
</tr>
<tr>
<td>10/18/2012</td>
<td>Strategy, macro and trade issues</td>
<td>10, 11</td>
</tr>
<tr>
<td>10/25/2012</td>
<td>Decisions under uncertainty, game theory</td>
<td>17, 15</td>
</tr>
<tr>
<td>11/1/2012</td>
<td>Auctions, bargaining</td>
<td>18, 16</td>
</tr>
<tr>
<td>11/8/2012</td>
<td>Adverse selection and moral hazard</td>
<td>19, 20</td>
</tr>
<tr>
<td>11/15/2012</td>
<td>Incentives</td>
<td>21, 22</td>
</tr>
<tr>
<td>11/22/2012</td>
<td>Thanksgiving holidays</td>
<td></td>
</tr>
<tr>
<td>11/29/2012</td>
<td>Project presentations</td>
<td></td>
</tr>
<tr>
<td>12/6/2012</td>
<td>Final Exam</td>
<td></td>
</tr>
</tbody>
</table>

As the instructor for this course, I reserve the right to adjust this schedule in any way that serves the educational needs of the students enrolled in this course.