



School of Business

EARNED EXCELLENCE



THE BEST BUSINESS SCHOOLS
IN THE WORLD

ECON 6100

Managerial Economics

CRN: 53323

Summer 2008

MEETING TIME: Saturdays 8AM to 12 Noon

CSU Main Campus, University Center Room 416

ATTENDANCE is important since this is a part-time MBA program, which meets on week-ends every other Saturday. If you know prior to your absence that you will be unable to attend, please contact Dr. L. Arjomand lariarjomand@clayton.edu

Prior to the scheduled meeting time for this class, shut down, cut off all laptops, cell phones, and other electronic equipment unless otherwise instructed.

Faculty Information:

Professor:	Dr. Lari H. Arjomand	Office Hours:	
Office:	School of Business., A-16	Saturdays:	12:00 p.m. – 1:00 p.m.
		Others	by appointment and/or e-mail
Phone:	678-466-4530 (Office)		770-366-9296 (Cell)
e-mail:	lariarjomand@clayton.edu		<i>Do not “reply” to class e-mail in order to contact me.</i>

Home Page: <http://business.clayton.edu/arjomand>

SCHOOL OF BUSINESS MISSION**The Mission of the School of Business is to:**

- **Prepare** a diverse student body for business and professional careers by providing a quality education.
- **Provide** a student-centered environment, using technology to enhance student learning.
- **Support** faculty in applied and instructional research and service to the profession.
- **Serve** primarily the metropolitan Atlanta area.

STUDENT ADVISEMENT

Below is the link to the Office of Student Advisement website. Should you have any questions, please refer to the website and/or contact the Office of Student Advisement for academic and career advisement.

<http://business.clayton.edu/advisement/default.htm>

CSU POLICY CONCERNING CHILDREN IN CLASSES/ON-CAMPUS

- Children are not permitted in classrooms.
- Faculty will not allow children to be present in their classrooms. If a student brings children to class, the student and children must be told to leave the classroom.
- Unattended children will not be permitted on-campus (in hallways, the gym, the library, outside of buildings, etc.).
- Public Safety (678-466-4050) will be notified if unattended children are observed on campus. If faculty or staff observe unattended children on-campus, they are responsible for informing Public Safety. The campus police will take any unattended children to the classroom of the parent, and will get the parent out of class. The parent will not be permitted to bring such children into the classroom.

- Parents are referred to Campus Life (UC Room 258) for information concerning childcare facilities off-campus.

STUDENT POLICIES

Students are expected to abide by all policies in the University Catalog, Student Handbook, and the list of Basic Student Responsibilities posted on the CSU Division of Student Affairs' Website: <http://adminservices.clayton.edu/studentaffairs/StudentHandbook/foreword.htm>

SPECIAL ACCOMMODATIONS

Individuals with disabilities who need to request accommodations or obtain this document in an alternative format, please contact the Disability Services Coordinator, Student Center room 259, 678-466-5449. <http://adminservices.clayton.edu/disability/>. If you need special accommodations, it is your responsibility to notify the professor each time that it is needed.

OTHER INFORMATION

Please observe good classroom etiquette: cell phones and pagers off; computers off and closed unless being used in a classroom assignment. Please feel free to seek individual assistance from the professor.

COURSE SCHEDULE

The following course schedule provides a detailed checklist of topics and assignments by week. This syllabus / course outline provides a general plan for the course. The professor reserves the right to make periodic changes to content, requirements, and schedule to accommodate the needs of the class and to fulfill the goals of the course.

IMPORTANT COURSE POLICIES

Syllabus Changes:

This syllabus will change. While every attempt will be made to avoid changes in this syllabus, this syllabus will change during the semester. These changes may be announced in class, in VISTA (if applicable), and/or sent by e-mail. *It is every enrolled student's responsibility to obtain information covered in class if they are absent for any class.* It is also every student's responsibility to check their e-mail on a regular basis and make necessary adjustments to any unanticipated changes. *Confirm at the beginning of the semester that you are receiving e-mails for this course.* "I didn't receive the e-mail", or "I was absent that day" are not acceptable reasons for not being aware of any changes. *If there are any questions not answered in this syllabus, or if anything in the syllabus is unclear, please contact Dr. Lari Arjomand.*

Attendance Requirement:

Attendance at all classes is strongly encouraged, even though there is no attendance requirement, *with the exception of tests and for your own presentations*. Since the class meets only every other week, when you miss one class, you will likely miss material that may not be discussed or covered in any other classes.

Attendance is required for tests and your own presentations; it is strongly encouraged for all student presentations, and for speakers. *If you miss a test or a presentation, there will not be additional time in the class for you to make these up.*

Academic Integrity:

Academic integrity is of paramount importance at Clayton State University. Students are expected to abide by the Student Code of Conduct as outlined in the University's official Student Handbook. Anyone failing to abide by this code will automatically receive a grade of "F". If you plagiarize any information, you will automatically receive a grade of "F". If you wish to learn more about what is and is not plagiarism, please see the following website:

<http://adminservices.clayton.edu/studentaffairs/StudentHandbook/SCC-2007-08.pdf>

COURSE OVERVIEW**Prerequisites:**

The prerequisite is admission to Master of Business Administration (MBA) program.

Course Objectives:

Upon completion of this course, the students should be able to:

- Apply economic analysis and techniques to problems facing managers.
- Combine microeconomics and various quantitative methods in a problem-solving and decision-making context in both the private and public sectors.
- Use economic analysis in identifying and evaluating decision alternatives, understanding the competitive environment of firms, and examining the factors that influence firm performance.
- Identify profitable decisions using benefit-cost analysis and being able to implement them within an organization—the main trust of this course.

Required Computer Competencies:

ECON 6100 requires extensive use of Microsoft Word[®], Microsoft PowerPoint[®], Microsoft Excel[®], e-mail, and electronic literature research using databases in GALILEO. Each CSU student is required to have ready access throughout the semester to a notebook computer that meets faculty-approved hardware and software requirements for the student's academic program. See <http://itpchoice.clayton.edu> for specific information regarding this policy.

COURSE RESOURCES AND TEXT

Required Resources:

1. Luke M. Froeb & Brian T. McCann. (2008), *Managerial Economics A Problem Solving Approach*: Thomson South-Western. The ISBN is 978-0-324-67568-9.
2. Managerial Economics module of MBA Primer (purchase at <http://v2.MBAPrimer.com/>). This is a hands-on “how to” primer that teaches the mechanics of costs, demand, marginal analysis, and benefit-cost analysis. There are primers for other business courses. Be sure to select **MBA Primer Online: Managerial Economics Module Volume 2, 2nd Edition** and NOT any of the other primers. Read the material, do the exercises, and take the quiz at the end of each chapter. Repeat the quizzes and review the material until you are comfortable with the concepts and techniques. Quiz yourself using variations of the MBA Primer questions. You are encouraged to discuss the MBA Primer concepts and quizzes with classmates and members of your group. *No deliverables are required from the MBA Primer.*

Recommended Resources:

The **Course Pack**—titled “*What Went Right/What Went Wrong*”—includes twenty seven (27) articles drawn from different sources addressing specific topics. These articles are designed to amplify concepts and present additional information on issues discussed in this class. The Course Pack will be provided to you on the first day of this class.

Reading and Assignments:

The class schedule outlines portions of the textbook that will correspond to each of class sessions. ***Students are expected to complete the required reading prior to lecture coverage.*** Any outline, due date, test date or reading assignment changes will be announced in class. It is each student's own responsibility to adjust his or her work schedule or other commitments accordingly.

Course Format:

Lectures, case analyses, video film discussions, research projects, class discussions, and tests will be used to help students achieve the objectives defined above. Each student is expected to participate in every class, to ask questions, to generate relevant discussion of topics and applied examples, and to bring in outside materials.

EXPECTATIONS OF MBA STUDENTS

Below are some of the behaviors expected of students who are taking this course. As a student in this class, you are expected to:

- Be responsible for your learning.
- Contribute to the learning of others and help them to maximize their potential.

- Apply material studied to your past, current and planned experiences.
- Behave ethically.
- Treat everyone with respect, and encourage one another.
- Realize that every solution creates new problems of its own.
- Maintain an open mind.

Grading Standards:

90 - 100 = A 80 - 89 = B 70 - 79 = C 60 - 69 = D 59 or below = F

Exams:

There will be exams on the reading assignments and any other assigned material and class discussions. Tests will be multiple choice, short answer, and discussion questions.

EVALUATION OF LEARNING

Your learning will be evaluated by assessing both your individual and team performance. Three group participation evaluations are to be completed *by each* group member. The evaluations should be completed independently. The required *Group Participation Evaluation forms are attached to the Case package*.

Evaluation Components:

Your final grade will be determined by averaging your grades for two exams (35%), three cases (50%), and five other assignments (15%). Total of 600 points are available. Also, there is 10 extra bonus points as class participation. Class participation (in Class & Online) includes, but not limited to, class attendance; class discussions; answering questions in the class, etc. The total 600 points are divided as follows:

- Mid-Term Exam: 15% (90 Points)
- Final Exam: 20% (120 Points)
- Segment 1 of the Case: (with paper & presentation) 15% (90 Points)
- Segment 2 of the Case: (with paper & presentation) 15% (90 Points)
- Segment 3 of the Case: (with paper & presentation) 20% (120 Points)
- Other Assignments--homework, problems, and class work exercises: 15% (90 Points)

Example: Suppose John earned the following points: Mid-Term Exam=85; Final Exam=80; Case 1=90; Case 2=80; Case 3=75, and Other Assignments=75. Thus, the weighted mean (average) = $.15 \times 85 + .2 \times 80 + .15 \times 90 + .15 \times 80 + .2 \times 75 + .15 \times 75 = 80.5 = B$ in the class. Suppose he received 10 extra bonus points as class participation. Thus, his grade will be changed from a B to an A= $80.5+10=90.5$ in the course.

DATE CLASS AND ASSIGNMENT SCHEDULES	
05/03/08	Orientation to the course. Team selections, team assignments and expectations. Chapters 1-5 from text—discussion and lecture. MBA Primer & Samuel L. Baker, Economics Interactive Tutorial
05/17/08	Chapters 6-9 from text—discussion and lecture. Assigning individual assignment #1. Groups HW Time—works on your case in your group. MBA Primer section 5 & Economics Interactive Tutorial Course Pack: Set 1 (PP. 1-3) & Set 2 (P. 1).
05/31/08	Group Presentations —Case 1; Even Groups (Group 2, 4, 6). Chapters 10-12 from text—discussion and lecture. Assigning individual assignment #2. Groups HW Time—works on your case in your group. Course Pack: Set 1 (PP. 4-6) & Set 2 (P. 2). Individual assignment #1 due date; in class & no e-mail and/or fax.
06/14/08	Mid-term Exam Group Presentations —Case 1; Odd Groups (Groups 1, 3, 5) Chapters 13-14 from text—discussion and lecture. Assigning individual assignment #3. MBA Primer , Practice Game Theory on Internet, Game Theory .net Course Pack: Set 1 (PP. 7-9) & Set 2 (PP. 3-4). Individual assignment #2 due date; in class & no e-mail and/or fax.
06/28/08	Group Presentations —Case 2; Odd Groups (Groups 1, 3, 5). Chapters 15-16 from text—discussion and lecture. Assigning individual assignment #4. MBA Primer , Practice Risk & Risk Aversion and Insurance on Internet. Course Pak: Set 1 (PP. 10-12) & Set 2 (P. 5). Individual assignment #3 due date; in class & no e-mail and/or fax.
07/12/08	Group Presentations —Case 2; Even Groups (Group 2, 4, 6). Chapters 17 from text—discussion and lecture. Assigning individual assignment #5. Groups HW Time—works on all segments of the case in your group. Course Pack: Set 1 (PP. 13-15) & Set 2 (P. 6). Individual assignment #4 due date; in class & no e-mail and/or fax.
07/26/08	Group Presentations —Case 3; Even Groups (Group 2, 4, 6) Chapters 18-19 from text—discussion and lecture. Course Pack: Set 1 (PP. 16-17) & Set 2 (PP. 7-8). Individual assignment #5 due date; in class & no e-mail and/or fax.
08/09/08	Group Presentations —Case 3; Odd Groups (Groups 1, 3, 5). Final Exam & the Case Due Date for All Groups —All groups are required to follow the given guidelines and submit a copy of their completed case—combinations of all the three segments— to the faculty. Course Pack: Set 1 (PP. 18-19).

All assignments must be submitted to the faculty on the due dates in the class. No assignment in the form of e-mail and/or fax will be accepted. You are expected to be present in the class for your case presentations and you are expected to present your parts. No make-up for any missed work; including exams. If you have a problem, communicate with the faculty in advance!

Optional Reading List—for those of you with time for truth and beauty

- Henry Hazlitt, "The Lesson" Chapter I in *Economics in One Lesson*, New York: Three Rivers Press, 1979, pp. 15-22.
- Henry Hazlitt, "Taxes Discourage Production" Chapter V in *Economics in One Lesson*, New York: Three Rivers Press, 1979, pp. 37-39.
- Shlomo Maital, "Hidden Costs", Chapter 2 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 21-40.
- Shlomo Maital, "Tradeoffs: Pain vs. Gain", Chapter 3 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 41-64.
- David Rados, "Averages and Marginals", Chapter 5 of *Pushing the Numbers in Marketing*, (London: Quorem Books, 1992), pp 53-74.HBS 9-892-010 Relevant Costs and Revenues
- Shlomo Maital, "Do you know where you costs are", Chapter 4 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 65-86.
- David Rados, "What Every Marketer Needs to Know about Costs", Chapter 3 of *Pushing the Numbers in Marketing*, (London: Quorem Books, 1992), pp 17-38.
- David Rados, "Break even points and Just Cover Points", Chapter 7 of *Pushing the Numbers in Marketing*, (London: Quorem Books, 1992), pp 85-99.
- Shlomo Maital, "Markets and Demand: How to Listen to Your Customer", Chapter 8 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 169-205.
- Steven Landsburg, "Why Popcorn Costs more at the Movies and Why the Obvious Answer is Wrong," Chapter 16 in *The Armchair Economist: Economics and Everyday Life*, New York: The Free Press, 1993, pp. 157-167.
- Shlomo Maital, "Tales of scale and scope," *Barron's* (Feb., 13, 1995) p. 54
- Shlomo Maital, "From Volume to Variety", Chapter 6 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 117-138.
- Shlomo Maital, "Racing Down the Learning Curve", Chapter 7 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 139-168.
- Steven Landsburg, "Courtship and Collusion: The Mating Game" Chapter 17 in *The Armchair Economist: Economics and Everyday Life*, New York: The Free Press, 1993, pp. 168-173.
- Shlomo Maital, "Competing by Cooperating", Chapter 10 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 227-254.
- Shlomo Maital, "Calculated Risks", Chapter 9 in *Executive Economics: Ten Essential Tools for Managers*, (NY: The Free Press, 1994) pp. 205-226.
- Michael M. Weinstein, "Solutions can become problems for mental illness insurance," *NY Times* (June 24, 1999) p. 2.
- Douglas Clement, "Beyond supply and demand: The reasons for increased health care costs," *FedGazette* (May, 2002) <http://minneapolisfed.org/pubs/fedgaz/02-05/supply.cfm>
- Steven Landsburg, "Truth or Consequences," Chapter 3 in *The Armchair Economist: Economics and Everyday Life*, New York: The Free Press, 1993, pp. 20-30.