

Course Syllabus

Econ 307: Managerial Economics

Buckman 212, Tuesday/Thursday, 3:30 to 4:45

Mike Hammock

Introduction:

You can think of this course as Part Two of Econ 101. You will cover much of the material from Econ 101 again, but in greater detail. The second part of the course covers the basics of game theory. This course assumes a basic knowledge of microeconomics, and it would be best if you were familiar with basic calculus (in particular, derivatives). Although this material will be difficult to apply directly in many managerial situations, it should nonetheless give you an understanding of the basic economics of production and strategic thinking. This is not a management or marketing class.

A few general words about this course:

-This is a difficult course. There is a lot of math involved, but memorization will not help you much. You'll have to *learn* this material. Memorizing a formula isn't useful if I mix things up a little bit. If you think through and understand the material, you won't need to memorize, and you'll be able to solve new problems.

-I will tend not to spell everything out for you. Instead, I will try to make you figure out the answers.

-The best way to learn economics is to do it. Do the problems I give out, the quiz problems, and the problems in your textbook. Practice makes perfect.

-I will have handouts available in my public folder for most classes. You are *required* to have read the handout before class, and *required* to bring a copy to class. It is highly recommended that you read the assigned chapter as well.

Contact Information:

Feel free to contact me via email whenever you like. I prefer to communicate via email (hammockm@rhodes.edu) rather than phone, but you may call me at 901-843-3123 if it is important. My office is Buckman 329C. Office Hours are Wednesdays from 1:00 to 4:30, and by appointment. Please do not ask for permission to stop by during office hours; that's what they're for. Just stop by.

Reading Material:

The text for the course is Besanko, David and Braeutigam, Ronald R., *Microeconomics*, NY: Wiley. Additional reading materials will be provided, as well as some typed notes.

Honor Code:

I take the honor code very seriously. You will all abide by it. Every time you sign your name to your work you are reaffirming your commitment to the honor code. If you have questions about it, ask me. You are expected to behave in a manner such that your academic integrity is beyond question.

Attendance:

I do not believe in taking attendance; you are adults now, and I should not have to baby sit you. If you want to skip class, you may skip class. But there may be consequences for doing so

If for some reason you miss an assignment, exam, or other credited work due to absence, your assignment grade will be knocked down to a maximum of 75% credit. After 24 hours the maximum will be 50% credit. After 48 hours you will get zero credit. If you wish to contest this reduction you must submit a signed explanation to me, which I alone will judge fit or unfit.

If you miss a class, you are responsible for asking your classmates for notes, assignments, syllabus and schedule changes, and so on. Do not ask me for a copy of my lecture notes, a summary of what we covered in class, or any other materials from classes missed. Important materials will be in the public folder.

Assignments:

You will have several assignments throughout the semester to give you practice with the concepts covered in class. These assignments are *not* mandatory, but they are important practice.

Quizzes:

Several long quizzes (or, if you prefer, short exams) will be given in class to ensure you keep up with the material, and to tell me with which topics you are having difficulty.

Extra Credit:

Extra credit *may* be available through the “Economics in the Movies” film series presented by myself and Professor Art Carden. We do not yet know which movies we’ll be showing, or what form the extra credit assignment will take.

Exams:

There will be two exams. Exams focus on problem solving with math or graphs), although you will also be expected to explain your answers. There will be some purely verbal questions as well. The exams are not cumulative in the ordinary sense. They are cumulative in the sense that you can’t, say, forget what Marginal Benefit and Marginal Cost mean on your final exam, because you need that concept to understand more advanced concepts.

Accommodations:

If you need special accommodation (time-and-a-half, a separate room, etc.) please contact Disability Services and notify me at the beginning of the semester.

Grades:

Your grade in this course will be determined thusly:

Quizzes: 40%

Exam 1: 30%

Exam 2: 30%

Grading Scale:

A	93.00-100	B	83.00-86.99	C	73.00-76.99	D	63.00-66.99
A-	90.00-92.99	B-	80.00-82.99	C-	70.00-72.99	D-	60.00-62.99
B+	87.00-89.99	C+	77.00-79.99	D+	67.00-69.99	F	59.99& below

Schedule and Class Dates:

August 23: Course introduction and syllabus review. Calculus Basics. See the Mathematical Appendix in your text for help (Pages 665 to 683).

August 28: **Quiz 1:** Calculus Tools. Review of Supply and Demand and Consumer Theory. Textbook Chapters 1 and 2.1.

August 30: The Mathematics of Elasticity. Textbook Chapter 2.2 to 2.5.

September 4: More Consumer theory and classifying goods by characteristics. Textbook Chapters 3, 4, and 5.

September 6: Production and Costs. Textbook Chapter 6.

September 11: Cost Minimization, Isoquants, and Isocosts. Textbook Chapter 7.

September 13: The Method of Lagrange Multipliers: Cost Minimization

September 18: Long-Run Costs. Textbook Chapter 8.

September 20: **Quiz 2:** The Basic Math and Economics of Costs

September 25: Perfect Competition. Textbook Chapters 9 and 10.

September 27: Monopoly. Textbook Chapter 11.

October 2: Monopoly and Elasticity. Review for Exam

October 4: **Exam 1: Consumer and Producer Theory**

October 9: Exam Debriefing. Game Theory Introduction. Dominant Strategy, Iterated Dominant Strategy. Textbook Chapter 14.

October 11: Nash Equilibrium and the Prisoner's Dilemma

October 13 to October 16: Fall Recess

October 18: **Quiz 3:** Simple Games of Complete Information

October 23: Auction Theory. Textbook Chapter 15.

October 25: More Auction Theory

October 30: Duopoly Models: Cournot, Bertrand, Stackleberg. Textbook Chapter 13.

November 1: More on Duopoly

November 6: **Quiz 4:** Auctions and Duopoly

November 8: Extensive Form Games

November 13: More Extensive Form Games

November 21 to November 25: Thanksgiving Recess

November 27: Signaling and Pooling Equilibria

November 29: Business Ethics and exam review

December 4: Last day of Class. **Exam 2: Game Theory**