

Course Syllabus
Econ 307: Managerial Economics
Buckman 212
Monday/Wednesday, 1:00 to 2:15 and 2:30 to 3:45
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. In fact, the name of the course is a lie. It should be called "Industrial Organization".

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 Mondays and Wednesdays from 12 to 12:50, and by appointment. Please do not ask for permission to stop by during office hours; that's what they're for. Just stop by. If my door is closed, knock. I'm here nearly all the time; if I'm not in my office, I'm eating, sleeping, or playing soccer, so chances are good that you'll find me in.

Reading Material:

The recommended text for the course is Besanko, David and Braeutigam, Ronald R., *Microeconomics*, 3rd Edition, NY: Wiley. Additional reading materials will be provided, as well as 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.

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:

Wednesday	January 14	Course introduction and syllabus review. Calculus Basics. See the Mathematical Appendix in your text for help
Wednesday	January 19	Review of Supply and Demand and Consumer Theory. Textbook Chapters 1 and 2.1. The Mathematics of Elasticity. Textbook Chapter 2.2 to 2.5.
Monday	January 21	More Consumer theory and classifying goods by characteristics. Textbook Chapters 3, 4, and 5. Quiz 1: Calculus Tools.
Wednesday	January 26	Production and Costs. Cost Minimization, Isoquants, and Isocosts.. Textbook Chapters 6, 7, and 8.
Monday	January 28	More on Costs. The Method of Lagrange Multipliers: Cost Minimization
Wednesday	February 2	Perfect Competition. Textbook Chapters 9 and 10.
Monday	February 4	Monopoly. Textbook Chapter 11.
Wednesday	February 9	Quiz 2: The Basic Math and Economics of Costs
Monday	February 11	Monopoly, Elasticity, and Price Discrimination, Textbook Chapters 11 and 12.
Wednesday	February 16	Review for Exam

Monday	February 18	Exam 1: Consumer and Producer Theory
Wednesday	February 23	Exam Debriefing. Game Theory Introduction. Dominant Strategy, Iterated Dominant Strategy. Textbook Chapter 14.
Monday	February 25	Nash Equilibrium and the Prisoner's Dilemma
Wednesday	March 2	Extensive Form Games
Monday	March 4	Quiz 3: Standard Form Games
Wednesday	March 9	More Extensive Form Games
Monday	March 11	Duopoly Models: Cournot, Bertrand, Stackleberg. Textbook Chapter 13.
Wednesday	March 23	More Duopoly
Monday	March 25	Auction Theory. Read the auction section of Textbook Chapter 15 and the pdf files in the public folder. Read Chapter 7 from The Undercover Economist in the public folder.
Wednesday	March 30	Quiz 4: Extensive Form Games and Duopoly
Monday	April 1	More Auction Theory
Wednesday	April 6	Repeated Games
Monday	April 8	Signaling Games
Monday	April 15	More Signaling Games
Wednesday	April 20	Conditional Probability and Bayes Rule
Monday	April 22	Advanced Signaling Games?
Wednesday	April 27	More Signaling Games?
Friday	April 29	Review for exam.
Tuesday	May 5	Final Exam, 8:30 A.M. (Section 29521)
Wednesday	May 6	Final Exam, 1:00 P.M. (Section 29519)