

**Economics 6000**  
**Managerial Economics**  
**Summer, 2007**

**Instructor:** Michael J. Stellern

**Place & Time:** Conway 103

**Office:** Conway 103

**Office Hours:** W5:00-5:45pm

(Please feel free to make an appointment at any other time during the week that is convenient for both of us. Usually most issues can be addressed before class.)

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**Fax:** 816.501.4650

**ADA Statement:** Rockhurst University is committed to providing reasonable accommodations for students with disabilities. Please contact Sandy Waddell in Access Services (Massman Hall, Room 7, (501.4689), [sandy.waddell@rockhurst.edu](mailto:sandy.waddell@rockhurst.edu)) to provide documentation and request accommodations. If the Access office has already approved accommodations, please communicate with the instructor regarding these arrangements by the second week of class in order to coordinate receipt of services.

## **II. Course Description**

This course is designed to provide basic material on managerial economics and discuss how this kind of material can be used for making operational decisions. This course will additionally supply a set of tools and an understanding of markets that is important for making good organizational decisions. The overall philosophy of the course will be to develop sound economic theory to be used for the general manager. The main thrust of the course will be traditional managerial economics. Traditional material will be supplemented with analysis of current economic conditions, both at the macro and international levels.

## **Learning Objectives**

After completing the course, students should be able to understand basic microeconomic theory:

1. Apply demand and supply theory.
2. Calculate elasticities and use the concept to explain market behavior.
3. Relate costs to productivity and use cost theory for resource allocation decisions.
4. Analyze price output decisions for the market types via competitive analysis.
5. Explain the effects of technological change on labor and management.
6. Discuss with familiarity basic issues concerning government intervention and emerging global technology with regard to their ethical implications.
7. Understand current economic macro picture of the economy of the United States, pertaining to GDP, unemployment, inflation, and trade status.
8. Acquire skills to present technical information both in written form and orally.

**III. Text: Managerial Economics and Business Strategy** Fifth Edition. Michael R. Baye

#### **IV. Course Requirements**

It is expected that a student will have completed at least two introductory courses in economics. This course assumes a background in Microeconomics. It assumes that the student has had some exposure to the concepts of demand and supply, the basic costs of the firm, and the basic market structures (pure competition and pure monopoly).

#### **V. Grading Procedures**

##### **Evaluation:**

There will be five tests during the semester and a final paper. The tests will be worth 300 points and the paper will be worth 150 points. There will also be 50 points for Participation, Rough Draft of paper, assignments, and outline. Your final grade will be determined in the following way. There will be a total of 500 points for the semester.

##### **VI Grading Standards:**

A	450-500
B+	425-449
B	375-424
C	325-374
F	0-324

The above data is meant for illustrative purposes only.

#### **VII. Course Policies**

- A. Attendance and absences: Students are expected to attend class every week. If the student misses a class, the student is expected to notify the instructor. Each student is allowed only one absence in the eight-week class. Additional absences need to be discussed with the instructor. If there are special circumstances, the student can be allowed to remain in the course with some additional assignment such as a five-page paper. If more than two absences occur, there will be a 10% penalty for all points earned in the semester. The teacher is required to notify the Dean's Office and Registrar's immediately, if a student misses two weeks of class in succession.
- B. Tardiness: If a student arrives after roll has been taken, the student can be considered absent.
- C. Class Conduct:

During class, cell phones and pagers must be on silent and/or off.

  - . While coffee, soda, or water is permitted to drink during class, please do not bring snacks or other food items to the classroom. Please discard all trash as you leave the classroom.

Please do not step out of the classroom while the class is in session as this can be disruptive to other students in the class, and disruptive to the teacher. If you wish to ask a question or participate in a discussion during a lecture, please raise your hand. Please be courteous and polite to all other students in the class and to you teacher at all times.

- D. Class Participation: Class participation is encouraged. There will be a possible twenty points awarded for class participation. If a student is disruptive in class or non participatory, then the student will be awarded fewer than the 20 points. Homework assignments will also be counted as class participation. Students who do not complete routine assignments on time will lose points. Class attendance will also factor into class participation.
- E. Late Paper Submission: Late papers are accepted but there will be a 10 percent penalty applied.
- F. Makeup Test: Makeup tests are allowed but a 10 percent penalty will be applied if there is not an adequate reason for the missed test, or if the student misses more than one test.
- G. Plagiarism/Academic Honesty: See School Catalogue pages 236-9. If a student is caught cheating or plagiarizing an assignment, the student will receive 0 points for that assignment.

### **VIII. Rockhurst University Statements**

A. "Rockhurst University is committed to providing reasonable accommodations for students with disabilities. Please contact Sandy Waddell, Director of Access Services (Massman Hall, Room 7, 816.501.4689, [sandy.waddell@rockhurst.edu](mailto:sandy.waddell@rockhurst.edu)) to provide documentation and request accommodations. If accommodations have already been approved by the Access Office, please communicate with the instructor(s) of this course regarding these arrangements by the second week of class in order to coordinate receipt of services."

B. "Student contact information must be kept current in order to receive important notices from Rockhurst University. Your contact information is online via your Banner Web account. Please check your local address, local phone number, and emergency contact information on Banner Web and revise as needed. All important University notices will be sent only to your RU email address. Please check your RU email account in addition to any other email accounts you may have. Accounts are activated at the Computer Services Help Desk (Conway 413)."

C. "Any student who misses class for two consecutive weeks without arranging makeup work with the instructor will be administratively withdrawn from the course, after notice is sent by certified mail to the student, and unless the student contacts the Dean's Office as specified in the notice."

## **IX. Course Calendar**

### **June 6**

Syllabus

Chapter 1 Fundamentals of Managerial Economics

Chapter 2 Market Forces: Demand and Supply

### **June 13**

Chapter 3 Quantitative Demand Analysis

Test 1: 60 points

Paper Topic General Outline is due. (10 points)

### **June 20**

Chapter 4 The Theory of Individual Behavior

Test 2: 60 points

### **June 27**

Chapter 5 The Production Process and Costs

Test 3: 60 points

### **July 4**

Holiday

Rough Drafts of paper are due electronically. Rough drafts are due electronically on Friday, July 6 by noon. (20 points)

### **July 11**

Chapter 6 The Organization of the Firm

Test 4: 60 points

### **July 18**

Test 5: 60 points.

Class Presentations

### **July 25**

Class Presentations

Final Paper is due.

## **Research Paper**

The research paper should be an economic analysis of a current economic problem or issue facing your particular firm. The problem or issue should be described and solutions or alternatives to the problem should be explored as well. The paper should primarily be an economic analysis. The length of the paper should be from 5 to 10 pages, single spaced.

## **Presentation**

Each student will be required to do a short presentation of their research to the rest of the class. The presentation should last from 7 – 10 minutes.

## **Sources**

Footnotes and bibliography is required. Either the (APA) American Psychological Association or the (MLA) Modern Language Association style is suggested.

## **Possible Topics**

Pricing Problems  
Reduction of Costs  
Competitive Analysis  
Market Structure  
Impact of Domestic Economy on Firm  
Impact of International Economy on Firm  
Macro and International Issues

## **Important Dates**

Topic Due: June 13  
Outline Due: June 13  
Rough Draft Due: July 6  
Final Paper Due: July 25

## **Grade for Paper**

<b>Dimension</b>	<b>Possible Score</b>
Written Skills	25 points
Oral Skills	25 points
Economic Analysis	100 points

## **WRITTEN SKILLS**

### **A (22.5 - 25.0 points)**

An A grade will be given for a well written paper with no grammatical errors and a good introduction and summary. An A grade should successfully engage the reader.

### **B (20.0 – 22.0 points)**

A B grade will be given for a paper with few grammatical mistakes and an adequate introduction and summary.

### **C (16.0 – 19.5 points)**

A C grade will be given for a paper with serious grammatical and organizational problems.

## **ORAL SKILLS**

### **A (22.5 – 25.0 points)**

An A grade will be given for a well prepared presentation that successfully engages the audience. The presentation should be enthusiastic, easy to follow, and capture the interest of the audience.

### **B (20.0 – 20.0 points)**

A B grade will be given for a good presentation that generally holds the interest of the audience. The presentation should be clear, prepared, organized, and not have any major problems.

### **C (16.0 – 19.5 points)**

A C grade will be given for an inadequate presentation that fails to hold the interest of the audience or has some major problems with the presentation or delivery.

## **Economic Analysis**

### **A (90.0 – 100.0 points)**

An A grade will be given for a paper that accurately describes and analyzes an economic problem. The A paper should give really excellent insights to the problem and offer a worthwhile alternative or solution.

### **B (80.0 – 89.5 points)**

A B grade will be given for a paper that generally gives a very accurate description of a problem with some minor errors. An acceptable solution is offered.

### **C (70.0 - 79.5 points)**

A C grade will be given for a paper that poorly describes a problem and uses incorrect economic analysis or a lack of economic analysis.

**APA STYLE GUIDELINES\*** (Charlotte Shelton and Mike Stellern)  
Taken from the *Publication Manual of the American Psychological Association*

**BOOK**

- In text citation: (Daft & Noe, 2001, p. 70)
- Bibliography entry:  
Daft, R.L., & Noe, R.A. (2001). *Organizational behavior*. New York: Harcourt.

**EDITED BOOK**

- In text citation: (Gibbs & Huang, Eds., 1991, p. 254)
- Bibliography entry:  
Gibbs, J.T. & Huang, L.N. (Eds.). (1991). *Children of color: Psychological interventions with minority youth*. San Francisco: Jossey-Bass.

**JOURNAL ARTICLE**

- In text citation: (Taylor, Krajewski, & Darling, 1993, p. 45)
- Bibliography entry:  
Taylor, R. E., Krajewski, L. A. & Darling, J. R. (1993). Social style application to enhance direct mail response. *Journal of Direct Marketing*, 7(4), 42-53.

**INTERNET ARTICLE**

- In text citation: (Atkins, 2001, p. 2), or (Atkins, 2001, ¶ 4) or (Atkins, 2001, Conclusion section)
- Bibliography entry:  
Atkins, S. (n.d.). *The LIFO success profile*. Retrieved November 28, 2001, from <http://www.stuartatkins.com/successprofile.asp>.

**NEWSPAPER ARTICLE**

- In text citation: (Ooms, 2001, p. D4)
- Bibliography entry:  
Ooms, S. M. (2001, June 3). Finding the right fit at work. *Kansas City Star*, p. D1. (if an article appears on discontinuous pages, give all page numbers, and separate the numbers with a comma (e.g., pp. A1, A3, A5-A7))

\*These are the most common sources. If you have questions about data sources not covered by the above examples, e-mail or call me with your questions.

## Oral Presentation

Name \_\_\_\_\_

### Allocation of Time

- \_\_\_\_\_ Presentation is finished too quickly. There is a lack of material to cover.
- \_\_\_\_\_ Time is budgeted wisely to cover all major points.
- \_\_\_\_\_ Presentation is longer than allotted time.
- \_\_\_\_\_ Too much time is spent on one section
- \_\_\_\_\_ Excellent choice of material content.
- \_\_\_\_\_ Good choice of material content.

Score \_\_\_\_\_

### Effectiveness of Presentation

- \_\_\_\_\_ An enthusiastic, engaging presentation keeps audience interested and alert.
- \_\_\_\_\_ A prepared presentation keeps audience moderately interested and alert.
- \_\_\_\_\_ Performance fails to keep audience interested throughout the presentation.
- \_\_\_\_\_ Audience falls asleep.

Score \_\_\_\_\_

### Organization and Preparation

- \_\_\_\_\_ Presenter fails to properly introduce topic or end with effective summary.
- \_\_\_\_\_ There is an engaging introduction and an effective summary.
- \_\_\_\_\_ Presentation lacks continuity (excessive pauses or obvious breaks occur).
- \_\_\_\_\_ Presentation is well organized and the audience can easily follow major points.

Score \_\_\_\_\_

### Physical Delivery

#### Strengths

- \_\_\_\_\_ Faces and addresses audience effectively.
- \_\_\_\_\_ Uses eye contact effectively.
- \_\_\_\_\_ Appears confident.
- \_\_\_\_\_ Pleasant and professional.
- \_\_\_\_\_ Uses effective gestures and body movement.
- \_\_\_\_\_ Uses effective power point presentation and/or visual aids.
- \_\_\_\_\_ Attire is appropriate.

#### Weaknesses

- \_\_\_\_\_ Appears tense, nervous or anxious.
- \_\_\_\_\_ Exhibits nervous mannerisms.
- \_\_\_\_\_ Avoids eye contact with audience.
- \_\_\_\_\_ Exhibits negative or unpleasant attitude.
- \_\_\_\_\_ Speaks to screen instead of audience.
- \_\_\_\_\_ Weak power point presentation and/or visual aids.

Score \_\_\_\_\_

## **Vocal Delivery**

### **Strengths**

- \_\_\_\_\_ Clearly enunciates and is easy to understand.
- \_\_\_\_\_ Projects voice well.
- \_\_\_\_\_ Uses correct grammar.
- \_\_\_\_\_ Language is vivid, exhibiting strong vocabulary.
- \_\_\_\_\_ Pleasant pitch and appropriate level of formality.

### **Weaknesses**

- \_\_\_\_\_ Speaks too loudly or softly. Mumbles. Cannot be heard.
- \_\_\_\_\_ Speaks too fast or too slowly.
- \_\_\_\_\_ Poor speech skills (hesitates while talking).
- \_\_\_\_\_ Uses uhs or ahs.
- \_\_\_\_\_ Uses poor choice of words.
- \_\_\_\_\_ Speaks without any enthusiasm.
- \_\_\_\_\_ Mispronounces some words.

**Score** \_\_\_\_\_

**Areas that need improvement or areas where the presenter did extremely well:**

**Final Score** \_\_\_\_\_

NAME \_\_\_\_\_

1. Explain the concepts of demand and supply. Graph each and explain what would happen if there were an increase in demand.
2. Explain in economic terms what is meant by a shortage. Show a shortage on a graph. What is the cause of an economic shortage?
3. What is price elasticity of demand? State the formula for determining price elasticity. How would price elasticity be used most effectively? What is cross price elasticity of demand? What is income elasticity of demand?
4. Explain the market of pure competition. Graph a firm in pure competition that is earning an economic profit. Please use the following curves in your graph: demand, average variable costs, average total costs, and marginal costs.





11. What are the three most important criteria you look for in a teacher?

12. What are the three most serious economic problems faced by your firm this year?

**PLEASE FILL OUT THE FOLLOWING INFORMATION**

**NAME:**

**ADDRESS:**

**PHONE:**

**E-MAIL**

**ARE THERE SPECIAL INTERESTS THAT YOU HAVE IN ECONOMICS?**

**WHAT WAS THE BEST BOOK THAT YOU READ IN THE LAST YEAR?**

**BEST MOVIE?**

**WHAT WAS THE BEST THING THAT YOU DID OVER THE LAST TWELVE MONTHS?**

**WHERE ARE YOU EMPLOYED?**

**WHERE DID YOU GRADUATE?**

**WHAT WAS YOUR UNDERGRADUATE MAJOR?**

**PLEASE GATHER THIS INFORMATION FOR THE OTHER MEMBERS OF YOUR TEAM. PLEASE STATE THE NAME OF YOUR TEAM.**

**1.**

**NAME:**

**ADDRESS:**

**PHONE:**

**E-MAIL:**

**2.**

**NAME:**

**ADDRESS:**

**PHONE:**

**E-MAIL:**

**3.**

**NAME:**

**ADDRESS:**

**PHONE:**

**E-MAIL:**

**4.**

**NAME:**

**ADDRESS:**

**PHONE:**

**E-MAIL:**

## **PLUS/DELTA**

1. Is there any other information that you feel you need concerning the mechanics of this course?
2. What information did you find the most useful?
3. Was there any information that you found was not necessary?
4. What could be done to improve the first class?