

Managerial Economics

Basic Information

Title: Managerial Economics

Code: ECN301

Credit Hours: 3 C.H.

Prerequisite(s): ECN102

Classification: Faculty Core Restricted Elective

Course Description

This course examines the use of economic information and analysis in making business decisions. The course applies economic theory and methods to business decision making. Based in economic analysis, managerial economics suggests how things ought to be done to efficiently achieve organizational goals. It also helps managers recognize how the organization is likely to be affected by economic forces.

Learning Objectives

- To explore those aspects of economic theory which help with the analysis of business problems and decision making.
- To develop students skills and knowledge of how to use economic analytical tools to effectively realize business objectives.
- To provide students with the necessary economic tools in the areas of pricing, optimization, production decisions and cost analysis.

Learning Outcomes

Upon completing of microeconomics, students should be able to do the following.

- Classify corporate governance systems as insider or outsider and firms as either owner or managerially controlled.
- Use and measure demand, production and cost functions.
- Identify appropriate pricing and investment procedure.
- Choose appropriate measures of the firm's use of resources
- Identify the reasons a firm would choose to grow.
- Identify constraints on growth of a firm.
- Compare and contrast different theories of the firm; explanations for the existence of firms in a market economy and the advantages and disadvantages of alternative organizational structure.

Course Outline

Module/Topic
<p><u>Module 01: Introduction, Basic Concepts and Definitions</u></p> <p>Introduction Objectives Lesson 01: Objectives of the Firm Lesson 02: Demand, Supply and Market Equilibrium Lesson 03: Firm's Valuing: Present Value (PV) and Expected Value (EV) Analysis Lesson 04: Optimization Process Lesson 05: Corporate Governance and Decision Making Procedures Summary Assessment</p>
<p><u>Module 02: Managerial Decisions, Demand, and Supply Analysis</u></p> <p>Introduction Objectives Lesson 01: Theory of Consumer Behavior Lesson 02: Elasticity and Demand Lesson 03: Demand and Supply Elasticities and Policy Options Lesson 04: Demand Elasticity And Decision Making Lesson 05: Supply Elasticity and Decision Making Summary Assessment</p>
<p><u>Module 03: Managerial Decisions in Production and Cost Analysis</u></p> <p>Introduction Objectives Lesson 01: Production's Managerial Decisions and Cost in the Short-Run Lesson 02: Production's Managerial Decisions and Cost in the Long Run Lesson 03: Pricing Decisions Lesson 04: Production Functions, Managerial Decisions and Cost Analysis Lesson 05: Forms of Production and Cost Functions Summary Assessment</p>
<p><u>Module 04: Profit Maximization under Various Market Structures</u></p> <p>Introduction Objectives Lesson 01: Different Market Structures Lesson 02: Managerial Decisions in Competitive Markets Lesson 03: Decision Making under Monopolistic Competition Lesson 04: Managerial Decisions for Firms with Market Power Lesson 05: Strategic Decision Making in Oligopoly Markets: Characteristics of Oligopoly Markets Summary Assessment</p>

Module/Topic

Module 05: Advanced Managerial Decision Making

Introduction

Objectives

Lesson 01: Price Discrimination and Full Cost Pricing

Lesson 02: Imperfect Competition

Lesson 03: Investment Appraisal

Lesson 04: The Basics of Economic Growth

Lesson 05: Oligopoly Market

Lesson 06: Diversification and Merger

Summary

Assessment

Module 06: Managerial Business Decisions In The Labor Market

Introduction

Objectives

Lesson 01: The Demand For Labor

Lesson 02: The Supply of Labor

Lesson 03: Wage Rate Determination

Lesson 04: Macroeconomics of Labor and Types of Unemployment

Lesson 05: Microeconomics of Labor and Labor Market Equilibrium

Lesson 06: Labor Demand Elasticity

Summary

Assessment

*Delivery mode of each topic will be determined by instructor and could differ from one semester to the other.