

ECO 3320.001 - Managerial Economics

Spring 2014

Instructor: Travis Roach
Place and Time: Holden Hall 76, MWF – 11:00-11:50
Office: Holden Hall - 262
Office Hours: MW 2:00-4:00
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Reading Material

- Customized book using:
 - Michael R. Baye, *Managerial Economics and Business Strategy*, McGraw-Hill/Irwin
 - Excerpts from the Harvard Business Review
- Assigned readings available on the course blog

Course Description

The intent of this course is to prepare business leaders to make optimal decisions that are guided by economic theory in a wide variety of situations and market structures. Insight and creativity are integral characteristics of an effective manager which can be cultivated with the study of economics in general, and microeconomics and game theory in particular. This course will further these skills by considering a multitude of real-world problems and case studies as well as hands on project-based learning. While profitability and operational efficiency will be major themes for the course, the lessons learned in this class are widely applicable to nonprofit institutions or philanthropic ventures.

Prerequisites

You must have already completed and passed ECO 2301 (Principles of Microeconomics) to enroll in this course, it is a *strict* prerequisite. Though there is not a formal mathematics prerequisite for this course, please note that this course utilizes basic calculus and statistics. I will introduce and teach any techniques that will be relied upon over the semester; Students who have completed MATH 1331 should be adequately prepared.

Learning Outcomes

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

- Apply supply and demand analysis to explain a variety of real-world situations
- Prepare an analytical report that utilizes regression analysis
- Determine cost minimizing input combinations
- Distinguish between various market structures—from perfectly competitive markets to imperfectly competitive markets to monopoly – and prescribe optimal business decisions
- Predict firms' behavior and strategy in a variety of market structures
- Effectively use the tools of game theory in a variety of business situations including interpersonal decisions and competitive firm behavior

Methods of Assessing the Expected Learning Outcomes

The expected learning outcomes for the course will be assessed through exams, in-class application activities, graded and non-graded quizzes, class discussion and participation, and an end of the year project.

Description of How Grades are Determined

Exams

There will be 2 midterm exams and a cumulative optional exam in place of the final at the end of the semester. Each exam will include several multiple choice questions as well as short answer questions. The optional exam at the end of the semester can be taken to lower the weighting of the other midterms. In the case that a student takes the optional test the grade will be calculated following Grading Track 2. Otherwise, Track 1 will be used to determine the final grade.

Applied Project

This is a “capstone” type project that will take place of the traditional final exam. In this project you, and a team of fellow classmates, will complete a large scale empirical analysis using a data set containing information on all counties in Texas that is collected during class. Your goal is to produce an analysis that provides business leaders and government officials in Lubbock insight into potential areas of growth, or specific industries which Lubbock may wish to attract. Upon completion of the project you will have an analytical document that may serve you in the future, regardless of your major or future intentions. This project will be useful as: the beginnings of an honors thesis or capstone paper, proof of experience doing analytical work that can be submitted in a portfolio along with a job application, the starting point from which to present at the undergraduate research conference (<http://bit.ly/12LGmp3>). To further add grounding to this real-world application, the project was developed in conjunction with the Lubbock Economic Development Alliance (LEDA). Excellent projects will be forwarded to them for further consideration.

Quizzes, Homework

Your quizzes and homework account for 10% of the final grade, regardless of the grading option you choose. Thus, performance on quizzes and homework are critical factors in making an A instead of a B, and so on for C's and D's. Though it differs per person, a good rule of thumb for any class is to invest 3 hours per credit hour of time on preparation and homework. Keep in mind that working hard and “investing” early will pave the way for a comfortable retirement in the future.

All homework will be completed online through the Connect software that comes with your book. There are two types of homework:

- Reading comprehension and practice (LearnSmart) ~ 15 minutes
 - Each is graded based on whether or not they are completed
 - Each is included within overall quiz/homework grade
 - Each assignment must be completed in the time window it is assigned for credit
- Assigned problems/questions (Normal Homework) ~ 1 hour
 - Graded as normal homework
 - Similar in difficulty to test material

Grading Scale

<i>Grading Track 1</i>	<i>Grading Track 2</i>
10% - Quizzes, Homework	10% - Quizzes, Homework
20% - Applied Project	20% - Applied Project
30% - Lowest Midterm	20% - Low Midterm Test
40% - Highest Midterm	25% - High Midterm Test
	25% - Optional Cumulative Exam

A = 89.5% and above
B = 79.5% – 89.49%
C = 69.5% – 79.49%
D = 59.5% – 69.49%
F = 59.49% and below

Examination Calendar

First Exam: Wednesday 3/5
Second Exam: Wednesday 4/30

Optional Exam: ***Cumulative:*** Tuesday 5/13 from 7:30-10:00 AM in the normal classroom

For a calendar of all classroom activities please see the course website at:

<http://www.travisroach.com/eco-3320.html>

Notes

1. Students are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, unless otherwise approved by the instructor, **students are prohibited from using cellular phones, eating or drinking in class, making offensive remarks, using laptops for nonrelated class activities, reading newspapers, sleeping or engaging in any other form of distraction.** Inappropriate behavior in the classroom shall result in, minimally, a request to leave class.
2. Attendance is **REQUIRED** and will be **MONITORED** throughout the semester. Incidences of excessive absence will be dealt with in a manner consistent with University policy and procedures.
3. American with Disability ACT. Any student who, because of a disabling condition, may require special arrangements in order to meet course requirements should contact the instructor as soon as possible to make necessary accommodations. Students should present appropriate verification for Disabled Students Services during the instructor's office hours. Please note that instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, you may contact the Student Disability Services office in West Hall 335 or by phone at 806-742-2405.
4. Student Absence for Observation of Religious Holy Days. A student who is absent from classes for the observation of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence if, not later than the

fifteenth day after the first day of the semester, the student had notified the instructor of each scheduled class that the student would be absent for a religious holy day.

5. Students are expected to have their ID's with them in class. The instructor reserves the right to ask a student to show his/her ID, especially during exams.
6. Any instance of cheating will result in an (F) for the course. The instructor reserves the right to pursue the matter further.