

ECON 2009 A – Managerial Economics

Department of Economics

Carleton University

Fall 2023

CONTACT INFORMATION

Instructor: Carolina Czastkiewicz

Office: B-851 Loeb Building

Office Hours: TBD, in my office (walk-ins are welcome!) or online (by appointment, email me!)

E-mail: CarolinaCzastkiewicz@cunet.carleton.ca (Subject line: **ECON 2009A**)

EMAIL POLICY: Please email me (using your Carleton email account) only if you need to request an appointment because you cannot make my office hours or in case of emergency.

COURSE LOGISTICS

Course delivery: In-person.

Lectures: Tuesdays and Thursdays 2:35 PM – 3:55 PM.

Tutorials: Mondays 11:35 AM – 12:55 PM.

Locations: Log into Carleton Central to view the location on your timetable.

Brightspace Course Page: <https://brightspace.carleton.ca/d2l/home/208407>

COURSE DESCRIPTION

An economic analysis of managerial decision-making; elements of production and cost; price and output determination under perfectly and imperfectly competitive market structures; the role of information; topics in business strategy; and the impact of government intervention.

LEARNING OUTCOMES

By the end of the course you should expect to:

- explain and apply economic models mathematically, graphically, and verbally
- apply economic models to managerial decision-making

PREREQUISITES AND PRECLUSIONS

Precludes additional credit for ECON 2001, ECON 2002 (no longer offered), ECON 2003 (no longer offered), and ECON 2020.

Prerequisite(s): ECON 1001 or ECON 1000 or FYSM 1003 with a grade of C- or higher; MATH 1009 (or equivalent) with a grade of C- or higher.

Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator.

A grade of C+ or higher is required to qualify for ECON 2030 and ECON 4020. DEF(erred final grade) status at the end of this course precludes (continued) registration in any other course for which the former is a prerequisite.

TEXTBOOK

Any undergraduate managerial economics textbook can be used as support for the class. Below are two recommendations. If you plan on using a different textbook, please check the topics listed below and/or check with me.

W. Bruce Allen, N. A. Doherty, K. Weigelt, and E. Mansfield (2013), *Managerial Economics: Theory, Applications and Cases*, 8th edition, W.W. Norton & Company.

M.R. Baye and J. Prince (2014): *Managerial Economics and Business Strategy*, any edition, McGraw-Hill Irwin.

COURSE OUTLINE

1. Introduction

The basics of managerial economics
Supply, demand, and markets

2. Demand theory

3. Production Costs

Production theory
Analysis of costs

4. Market structure and simple pricing strategies

Perfect Competition
Monopoly and monopolistic competition

5. Sophisticated market pricing

Price discrimination
Bundling and intrafirm pricing*

6. Business strategy

Oligopoly
Game Theory

7. Risk, information problems, and incentives

Risk Analysis
Principal-agent problems and managerial compensation

8. Government and business*

* The extent and coverage of this topic will depend on time availability

NOTE: The course will use calculus and elementary probability and statistics. It is assumed that you know the material covered in MATH 1009. A good reference for the mathematical tools used in this course is chapter 18 in Allen et al.

COURSE MATERIALS - DO NOT DISTRIBUTE

Course materials will be posted on Brightspace. Posting of course material on the Internet is prohibited.

The course materials posted on Brightspace remain the intellectual property of the author(s). They are intended for personal use and may not be reproduced or redistributed without prior written consent of the author(s).

EVALUATION

Each student's grade will be calculated using the following graded items and weights:

Graded item	Weight
2 Quizzes	20%
2 Mid-term exams (20% each)	40%
Final exam	40%
Total	100%
In-class polls (bonus)	5%

Quizzes: These will include short questions and will be announced at least a week in advance. Quizzes will take place during the scheduled lecture or tutorial times. If you miss a quiz for a documented compelling reason, the weight of that quiz will be reallocated to the remaining quizzes or to the final exam in the event you miss the last quiz.

Midterms: will take place during the lecture time.

- **Midterm I: Thursday, October 19th**
- **Midterm II: Thursday, November 23rd**

Missed course work: If you miss a mid-term examination or a significant number of tutorials/assignments for a documented compelling reason, you must submit a [Self Declaration Form](#) and the weight will be reallocated to the final exam. No makeup midterms will be offered.

Final comprehensive examination: will be formally scheduled by the University during the examination period. The exam will be in person and will include all material covered in during the term. Be aware that travel plans during the exam period is not a valid reason for missing a final exam. If you are unable to write the final exam, an application to write a **deferred final examination** must be made at the Registrar's Office in writing no later than three working days after the original final examination was scheduled.

In-class Polls: I will use Polleverywhere to ask multiple-choice questions in class. Once the question is displayed, you will have a few minutes to work on the question and submit your answer via the polling website or the website's app. You will get one bonus point for participating and one for providing the correct answer. The total bonus points can add up to 5% of your final grade. Note that these are bonus points, so you can still get the maximum grade without participating in any poll.

Standing in a course is determined by the course instructor subject to the approval of the Faculty Dean. This means that grades submitted by the instructor may be subject to revision. No grades are final until they have been approved by the Dean.

SATISFACTORY PERFORMANCE CRITERIA

Students must fulfill all of the preceding course requirements in order to achieve a passing grade (D- or higher). See Academic Regulation 5.4 for the official meanings of the grades, and note that it stipulates that no course grades are final until approved by the Faculty Dean.

Plagiarism, Resources and Mental Health, Academic Accommodations

Please be aware that plagiarism is a serious offense at Carleton and should be recognized and avoided. You are responsible for reading and knowing the information about plagiarism, Carleton University Resources, and academic Accommodations found [in this link](#).