
Winter 2020
Econ 2009 H – Managerial Economics
Department of Economics
Carleton University

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1 Course Information

Instructor: [Mumtaz Ahmad](#)

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Lectures: Tuesday and Thursday, 08:35 - 09:55 (SA 306)

Office Hours: Tuesday 12:00:– 1:00 pm

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2 Course Description

This course provides students with economic concepts and practical analysis widely applied in managerial decision-making. The range of topics covered include determination of market demand and production output, market structures, pricing strategies, game theory, risk analysis, information asymmetries, and the impact of government regulation on business.

3 Preclusions and Prerequisites

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, Amanda Wright(LA C875).

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.

4 Textbooks:

Required Textbook: W. Bruce Allen, N. A. Doherty, K. Weigelt, and E. Mansfield (2013), Managerial Economics: Theory, Applications and Cases, 8th edition, W.W. Norton & Company. New York and London. ISBN: 978-0-393-91277-7 (Referred to as ADWM).

Supplementary Reference Textbook: Michael R. Baye and Jeffrey Prince (2016), Managerial Economics and Business Strategy, 9th edition, McGraw-Hill Irwin. SBN10: 1259354342 | ISBN13: 9781259354342 (Referred to as BP).

Note: Additional readings may be assigned. The course will use calculus and some elementary probability and statistics. It is assumed that you know the material covered in MATH 1009. A good reference for the application of the mathematical tools in this course is Ch18 in ADWM.

5 Tentative Course Outline:

The following course outline is tentative and therefore subject to change during the process. I reserve the right to modify elements of the course and will notify students accordingly (in class and post any changes to [cuLearn](#)).

1. Introduction
 - The basic of managerial economics (ADWM: Ch.1; BP: Ch.1 & 2)
 - Supply, demand, and markets (ADWM: Ch.1; BP: Ch.1 & 2)
2. Demand theory (ADWM: Ch.2 & 3; BP: Ch.2)

3. Production Costs

- Production theory (ADWM: Ch.5; BP: Ch.5)
- Analysis of costs (ADWM: Ch.6; BP: Ch.5)

4. Market structure and simple pricing strategies

- Perfect Competition (ADWM: Ch.7; BP: Ch.8)
- Monopoly and monopolistic competition (ADWM: Ch.8; BP: Ch.8)

5. Sophisticated market pricing

- Price discrimination (ADWM: Ch.9; BP: Ch.11)
- Bundling and intra
firm pricing (ADWM: Ch.10; BP: Ch.11)

6. Business strategy

- Oligopoly (ADWM: Ch.11; BP: Ch.9)
- Game Theory (ADWM: Ch.12; BP: Ch.10)

7. Risk, information problems, and incentives

- Risk Analysis (ADWM: Ch.14; BP: Ch.12)
- Principal-agent problems and managerial compensation (ADWM: Ch.15; BP: Ch.6 & 12)

8. Government and business (ADWM: Ch.17; BP: Ch.14)

Note: The extent and coverage will depend on time availability

6 Lectures

The class will meet twice a week at 8:05 a.m. on Tuesdays and Thursdays for a 1 hour and 20 minute lecture. Each week, the lecture outline and references to textbook readings will be posted via [cuLearn](#) on Monday. The lecture material will not be a substitute for the required text book readings. Please note that class attendance is an integral part of the course. Although attendance is not formally taken, it is critical for understanding the course material. Students are responsible for all material covered whether they choose to attend lectures or not.

Classroom Courtesy: Coming late to class or/and leaving the classroom during the lecture will distract other students. Being late once or twice due to unforeseen reasons is understandable, but if this happens constantly, there will be actions. If your class schedule

prevents you from fulfilling these requirements, you may consider enrolling in a different session. I count on your judgment and discipline regarding the uses of electronic devices in the classroom. Exercise your discipline and respect other students and the instructor.

7 Communication

[cuLearn](#) and the Carleton email system will be used extensively as a means of communication with students. Therefore, students are strongly advised to access cuLearn and check their Carleton email at regular intervals in order to check for new information. To access cuLearn and the Carleton email system, students require a MyCarletonOne account. For questions about MyCarletonOne accounts, students should access carleton.ca/its/get-started (and then click on either New Students or New Grad, as appropriate). Please make sure that you are set up on [cuLearn](#) prior to the course start date. For assistance with [cuLearn](#) contact the [IT service desk](#) (4th Floor, MacOdrum Library, telephone: (613-520-3700)).

8 Tutorials:

In addition to lectures, a 1 hour and 20 minute tutorial session has been scheduled at 10:05 a.m on Tuesdays. The tutorial sessions will be used for additional coverage of important course material, assignment-related activities and problem sets.

9 Evaluation:

The breakdown of final grade in this course is as follows:

Four Assignments	20%
Tutorial Attendance	5%
Midterm Examination	30%
Final Examination	45%
	100%

Assignments: There will be four assignments in total. Each assignment is worth 5%. Assignments will be posted on cuLearn and will be due in class prior to the beginning of the lecture. The assignments will be posted/due according to the following schedule:

	Posted	Due
Assignment 1	January 16	January 30
Assignment 2	January 30	February 13
Assignment 3	March 5	March 19
Assignment 4	March 19	April 2

There are two additional submission requirements for the assignments: (1) the pages must be stapled together; (2) you must provide a cover page with your information that you will be able to download in PDF format from cuLearn.

Students may wish to work together on assignment material, BUT each student MUST write up their own assignments INDEPENDENTLY. In this connection, please be sure to read Section 10.1 of the Academic Regulations of the University in the 2019-20 Undergraduate Calendar, especially with regard to plagiarism and unauthorized cooperation and collaboration. For further information on recognizing and avoiding plagiarism, see “Pammett on Plagiarism and Paraphrasing” at www.carleton.ca/economics/courses/writing-preliminaries.

NO LATE assignments will be accepted. In the event that one or more assignments are not submitted, the weight of the missed assignment(s) will not be transferred to the final examination without a documented and compelling reason.

Mid-term examination: It will take place during the class on Feb-25. This is a tentative date. If you miss the mid-term examination for a documented compelling reason, the assigned weight will be added to the final exam. No makeup will be offered.

Re-grading: Any request for the re-grading of an assignment/ midterm exam must be submitted in writing within one week of that assignment/midterm exam first being returned to the class. The request should contain a detailed explanation of why you feel you should receive a higher mark. Please note that remarking will apply to the entire assignment/exam, not just the contentious question. As a result, the revised mark maybe higher than, lower than or the same as the original mark. Assignments/exam completed in pencil or erasable ink will not be accepted for remarking.

Final Comprehensive Examination: There will be one cumulative final exam to be held during the December Examination Period as scheduled by the University. For updates, consult <http://www.carleton.ca/ses>. The final exam is closed-book, closed-notes. You are allowed to bring in a simple/scientific calculator. No graphical calculators that can store formulas are allowed.

Students must fulfill all of the preceding course requirements in order to achieve a passing grade (D - or higher). Students who do not write/attend the final examination because of illness or other circumstances beyond their control may apply to write a deferred examination. In order to write a deferred examination, students must contact the [Registrar's Office](#). (For further details, see Section 4.3 of the Academic Regulations of the University in the 2019-20 Undergraduate Calendar.) In the event that a student writes a deferred examination, the deferred examination will carry the same weight as the final examination in determining the course grade. Needless to say, any deferred examination will not be identical to the original final examination.

Finally, please note that “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.”

10 Academic Accommodations

You may need special arrangements to meet your academic obligations during the term. For an accommodation request, the processes are as follows:

Pregnancy obligation: Write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details see the [Student Guide](#).

Religious obligation: Write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details see the [Student Guide](#).

Disabilities: The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact the Paul Menton Centre for Students with Disabilities (PMC) at 613 - 520 - 6608 or pmc@carleton.ca for a formal evaluation. If you are already registered with the PMC, contact your PMC coordinator to send me your Letter of Accommodation at the beginning of the term, and no later than two weeks before the first in-class scheduled test or exam requiring accommodation (if applicable). After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the [Menton Centre \(PMC\) website](#) for the deadline to request accommodations for the formally-scheduled exam (if applicable).

Survivors of Sexual Violence: As a community, Carleton University is committed to maintaining a positive learning, working and living environment where sexual violence will not be tolerated, and where survivors are supported through academic accommodations as per Carleton’s Sexual Violence Policy. For more information about the services available at the university and to obtain information about sexual violence and/or support, visit: www.carleton.ca/sexual-violence-support.

Student Activities: Carleton University recognizes the substantial benefits, both to the individual student and for the university, that result from a student participating in activities beyond the classroom experience. Reasonable accommodation must be provided to students who compete or perform at the national or international level. Please contact me with

any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details, see the [policy](#).

Plagiarism: The Carleton University Undergraduate Calendar defines plagiarism as “pass[ing] off as one’s own idea, or product, work of another without expressly giving credit to another.” Please be aware that plagiarism is serious offence at Carleton University and should be recognized and avoided. For further information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at www.carleton.ca/economics/courses/writing-preliminaries.

For more information on academic accommodation, please contact the departmental administrator or visit: students.carleton.ca/course-outline.