Instructor contact information

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Office hours: Tuesday and Thursday, 6:00-7:00 p.m. and by appointment
Class: Tuesday and Thursday, 7:20-10:00, University Hall 1200

Text and material

brief articles—distributed in class or from web site

MBA program learning goals

1. Teaming & Leading
Our graduates will demonstrate the team leadership and interpersonal skills needed to form, lead, and work effectively on diverse organizational teams.

2. Analytical Decision Making
Our students will demonstrate the ability to analyze uncertain complex management situations using appropriate tools, techniques and information systems for decision-making.

3. Knowledge of Functional Business Disciplines
Our graduates will demonstrate knowledge of all core functional areas of business and an ability to integrate them into a meaningful firm level perspective.
4. Global Understanding
Our graduates will demonstrate knowledge of how businesses operate in the global environment.

5. Communication Skills
Our graduates will demonstrate written, oral and presentations skills necessary to explain problems and solutions.

6. Ethics and Social Responsibility
Our graduates will demonstrate knowledge of the legal and ethical environment of management and business social responsibility.

Course description and objectives
This course is about applying the techniques of economic analysis to problems facing managers. The course will combine a thorough treatment of the framework provided by microeconomics with extensive applications in decision situations. Students will develop familiarity with the concepts and methods used in economic analysis for:
- identifying, evaluating, and choosing among alternative courses of action,
- understanding the competitive environment of organizations,
- examining the factors that influence firm and industry performance.

Specific learning objectives for each of the principal topics will provide additional guidance.

Requirements
Course requirements include two types of learning activities: exams and class assignments.

A. Exams
There will be 2 mid-term exams and a comprehensive final exam.

B. Class assignments
The class assignments will involve two activities: brief write-ups of cases and the preparation of one briefing memo summarizing and discussing a current article from the business press dealing with a relevant topic.
C. Course grades

In determining the course grade, a numerical average of all work will be computed. To convert the averages to letter grades, the starting point will be categories bracketed by 90, 80, etc. Adjustments may occur based on actual class performance, and +/- grades may be awarded.

To calculate the average of all work, the following weights will be used:

- Each mid-term exam 20%
- Final exam       30%
- Class assignments 30% (case write-ups 15%, memo 15%)

Honor Code

Students are reminded of their responsibilities under the GMU Honor Code. Information is available at: http://academicintegrity.gmu.edu/honorcode/

DRC Statement

If you are a student with a disability and you need academic accommodations, please see me and contact the Office of Disability Services (ODS) at 703-993-2474. All academic accommodations must be arranged through the ODS.

Excused Absences and Rescheduling of Exams

Excused absences from exams will be permitted only in rare cases of genuine emergencies. Arrangements for rescheduling of an exam should be made prior to the date of the exam.

Course Outline

<table>
<thead>
<tr>
<th>Topic</th>
<th>Topics and Reading Assignment</th>
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<tr>
<td>1</td>
<td>Introduction—economics, firms, and managers</td>
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<tr>
<td></td>
<td>Baye, Chapter 1, pp. 1-15; Chapter 6, pp. 219-226</td>
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<td></td>
<td>Jensen and Meckling, “Specific and General Knowledge, and Organizational Structure”</td>
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<td>2</td>
<td>Economics of demand</td>
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<td></td>
<td>Baye, Chapter 2, pp. 35-46; Chapter 3, pp. 73-90; Chapter 13, pp. 493-496</td>
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3 Economics of production
Baye, Chapter 5, pp. 155-164

4 Economics of costs
Baye, Chapter 5, pp. 175-187

5 Competition and competitive markets
Baye, Chapter 2, pp. 46-66; Chapter 8, pp. 264-277

6 Monopoly markets
Baye, Chapter 7, 235-254; Chapter 8, pp. 277-293

7 Pricing with monopoly power
Baye, Chapter 11, pp. 402-415

8 Monopolistic competition and oligopoly
Baye, Chapter 8, pp. 293-302; chapter 9, pp. 314-316

9 Game theory and competitive strategy
Baye, Chapter 10, pp. 350-362; pp. 376-385

10 Asymmetric information and managers
Baye, Chapter 12, pp. 448-454

11 Government and markets
Baye, Chapter 14

Tentative dates: mid-terms on September 27 and November 8 (7:20-8:35)
final on December 13, 7:30-10:15
memo due on November 29
Additional Information on Class Assignments

Case Studies

Each case study will involve a brief analysis of a specific situation in which managers are dealing with a problem that can be approached from an economics-based perspective. The cases will provide an increased familiarity with some of the key components of the course.

Briefing Memo

The purpose of the briefing memo is to give you an opportunity to apply tools of economic analysis in thinking about interesting problems or situations you identify. Doing this will increase your understanding of key concepts of managerial economics and how they can be applied analyzing real-world situations. In effect, the memo will be a relatively brief case study.

Periodicals providing high-quality coverage of business and economic topics represent sources of material for memos. Specific sources include The Wall Street Journal, The Economist, Forbes, Business Week, and Fortune. The memo should focus on the contribution economic analysis can make for managers who are seeking to understand a problem or reach a decision. Either situations where decisions have been made or those where decisions are still in play would be appropriate.

Although no specific format is required, the following items should be treated:

1. Description of the background setting.

2. Identification and statement of the problem—what is to be explained, understood, decided, evaluated, etc.

3. Discussion of the economic dimension of the problem.

4. Analysis of the problem or decision, including a description of the economic concepts or tools being utilized, a discussion of key linkages or cause and effect relationships, and an identification of the information used or required to resolve the issues.

5. Evaluation, based on (a) either a discussion of the outcome and its performance impacts where a decision or conclusion has been reached, or (b) an indication of possible decision alternatives, their ramifications, and a recommendation, if appropriate, where no resolution has occurred.

The memo should not exceed 3 pages, exclusive of tables, graphs, etc. Please include detailed citations for sources of case situations and any other references.