

University of Missouri  
Econ 3251\_01 – Managerial Economics  
Fall Semester 2020

**Economics 3251-01 is an online class during Fall Semester 2020.**

**Instructor:** Robert Hazel, [rahvzr@missouri.edu](mailto:rahvzr@missouri.edu), Cell: 571-723-3515.

When you email me, please identify the course you are writing about.

**See *Decreasing the Risk Of COVID-19 in Classrooms and Labs* at the end of the Syllabus**

**Office hours:** This semester, we have been asked to have office hours on Zoom only. Please don't hesitate to request a Zoom meeting.

**Teaching Assistants:** Emma Gould, [emmalgould@mail.missouri.edu](mailto:emmalgould@mail.missouri.edu); David Retherford, [djrw4@umsystem.edu](mailto:djrwy4@umsystem.edu). Zoom office hours: TBD

**Course description:** Starting with basic economic concepts, such as price elasticity, price discrimination, and scale effects, we will gain insight into modern business strategy. Why are some firms and industries more profitable than others? What economic tools do managers use to help them increase market power and create barriers to entry? How do leading firms in the new information economy differ from successful firms of the past? What are the reasons for and consequences of increasing concentration in many industries? Has antitrust law been effective?

**Course objective and learning outcome:** Gain familiarity with principles of managerial economics and business strategy and be able to apply them in the real world.

**Prerequisites:** Econ 1014 and Math 1400 (or equivalent).

**Required Text:** *Managerial Economics and Strategy* (3<sup>rd</sup> ed.), by Jeffrey Perloff and James Brander. The e-book is auto-access course material. Other readings will be posted on Canvas.

**Canvas:** This course uses Canvas and students should check the site regularly.

**Grading:**

Participation: 5%

Problem sets 20%

1<sup>st</sup> exam 25%: Wednesday, September 23, 8:00 pm-9:15 pm, Trowbridge Events Center

2<sup>nd</sup> exam 25%: Wednesday, October 28, 8:00 pm-9:15 pm, Trowbridge Events Center

3<sup>rd</sup> exam 25%: Wednesday, December 9, 8:00 pm-9:15 pm, Trowbridge Events Center

**Participation:** Participation points will come from responses to Canvas polling questions posed regularly throughout the semester.

**Problem sets:**

- Will be posted on Canvas most weeks and answered on Canvas
- Are due on Canvas by 11:59 pm on the specified date.
- Are open-book/open-note and you are encouraged to work with other students and/or seek help from the TAs or me.

**Exams: We are scheduled to have in-person exams to be held on the dates listed above.** For in-person exams, you may bring with you one double-sided 8.5 x 11 “cheat sheet” that includes any information you think would be helpful. Make a copy of your cheat sheet; it will be collected at the end of the exam and not returned. Any devices with cell or internet connections must be turned off. Students may be asked to show a current student ID with a photo at each exam.

There are no make-up exams, except in the event of a medical or personal emergency. In that case, you will be excused from the exam only if you provide me with your justification via e-mail prior to the exam and submit proper documentation in a timely manner. Makeup exams may be substantially different from the original exam.

Lectures will cover important material that is not included in the text or assigned readings. Any material covered in lectures may be the subject of exam questions. Students who rely only on the material posted on Canvas will not be adequately prepared for exams.

Monitoring of grades on Canvas: **Please check your grades on Canvas regularly** and report any discrepancies between the grade you received on an assignment and the grade reported on Canvas. Any complaints received more than two weeks after the relevant grade is posted will not be investigated, nor will the relevant grade be changed.

In general, the students who do best are curious, persistent, willing to ask for help, and willing to put in time and effort to improve. The average grade of students who regularly attend class is substantially higher than for those who do not.

Please feel free to contact me with questions before, during and after class. I usually respond to emails quickly and am glad to meet with you via Zoom.

PB = Perloff & Brander; L/S = Lecture/supplemental material posted on Canvas

<b>Week</b>	<b>Topics</b>	<b>Reading</b>
Weeks 1-5	Firm valuation principles, market power, and barriers to entry  Demand and supply  Elasticity  Risk preferences and behavioral economics  Production and costs  Information goods, network effects, and platform economics  Firm theory, agency issues, mergers, acquisitions, and make-or-buy	L/S   PB 1-2  PB 3  L/S & PB 14  PB 5.1-5.4, 6  L/S & PB 9.6  PB 7
	<b>1ST EXAM – WED, 9/23</b>	
Weeks 6-10	Types of competition  Oligopoly models  Price discrimination techniques  Game theory and business strategy	PB 8- 9, 11.4  PB 11.1-11.3  PB 10  L/S & PB 12.1- 12.3, 13.2
	<b>2<sup>ND</sup> EXAM– WED, 10/28</b>	
11/21- 11/29	NO CLASS (Thanksgiving break)	
Weeks 11-15	Strategies over time – repeated games  Bargaining  Innovation, productivity, Baumol, and first mover effects  Market failures, unfair competition, and government intervention  Intellectual property  Trade	L/S & PB 13.1  L/S & PB 12.4  L/S  L/S & PB 16.3  L/S & PB 16.6  PB 17.1 & 17.3
	<b>3<sup>RD</sup> EXAM – WED, 12/9</b>	

**Decreasing the Risk of COVID-19 in Classrooms and Labs (As of July 30, 2020. See updates as posted on <https://renewal.missouri.edu/>)**

MU cares about the health and safety of its students, faculty, and staff. To provide safe, high-quality education amid COVID-19, we will follow several specific campus policies in accordance with the advice of the Center for Disease Control and Boone County health authorities. This statement will be updated as information changes.

- If you are experiencing any COVID-related symptoms, or are otherwise feeling unwell, do not attend in-person classes and contact your health care provider and/or student health immediately. COVID symptoms include: fever greater than 100.4 or chills; cough, shortness of breath or difficulty breathing; fatigue; unexplained muscle or body aches; headache; new loss of taste or smell; sore throat; congestion or runny nose; nausea or vomiting; diarrhea.
- We will all wear face coverings while in the classroom, unless you have a documented exemption due to a disability or medical condition.
- We will maintain a 6-foot distance from each other at all times (except in specific lab/studio courses with other specific guidelines for social distancing).
- We will enter the classroom and fill the room starting at the front, filling all the way across a row. When class ends, we will exit the row nearest to the door first; the instructor or TA will give the signal for the next row to exit, in the same manner.
- In any small section or lab class that requires them, additional measures will be listed in the syllabus and be mandatory for class participation.
- Online office hours will be available for all students.
- This course may be recorded for the sole purpose of sharing the recording with students who can't attend class. The instructor will take care not to disclose personally identifiable information from the student education records during the recorded lesson.

Compliance with these guidelines is required for all; anyone who fails to comply will be subject to the accountability process, as stated in the University's Collected Rules and Regulations, Chapter 200 Student Code of Conduct.

**Academic Integrity**

Academic integrity is fundamental to the activities and principles of a university. All members of the academic community must be confident that each person's work has been responsibly and honorably acquired, developed, and presented. Any effort to gain an advantage not given to all students is dishonest whether or not the effort is successful. The academic community regards breaches of the academic integrity rules as extremely serious matters. Sanctions for such a breach may include academic sanctions from the instructor, including failing the course for any violation, to disciplinary sanctions ranging from probation to expulsion. When in doubt about plagiarism, paraphrasing, quoting, collaboration, or any other form of cheating, consult the course instructor.

**Accommodation of Disabilities**

If you anticipate barriers related to the format or requirements of this course, if you have emergency medical information to share with me, or if you need to make arrangements in case the building must be evacuated, please let me know as soon as possible. If disability related accommodations are necessary (for example, a note taker, extended time on exams, captioning), please register with the Disability Center, S5 Memorial Union, 882-4696, and then notify me of your eligibility for reasonable accommodations. For other

MU resources for students with disabilities, click on "Disability Resources" on the MU homepage.

### **Intellectual Pluralism**

The University community welcomes intellectual diversity and respects student rights. Students who have questions or concerns regarding the atmosphere in this class (including respect for diverse opinions) may contact the Departmental Chair or Divisional Director; the Director of the Office of Students Rights and Responsibilities (<http://osrr.missouri.edu/>); or the MU Equity Office (<http://equity.missouri.edu/>), or by email at [equity@missouri.edu](mailto:equity@missouri.edu). All students will have the opportunity to submit an anonymous evaluation of the instructor(s) at the end of the course.

### **Academic Inquiry, Course Discussion and Privacy**

University of Missouri System Executive Order No. 38 lays out principles regarding the sanctity of classroom discussions at the university. The policy is described fully in Section 200.015 of the Collected Rules and Regulations. In this class, students may make audio or video recordings of course activity unless specifically prohibited by the faculty member. However, the redistribution of audio or video recordings of statements or comments from the course to individuals who are not students in the course is prohibited without the express permission of the faculty member and of any students who are recorded. Students found to have violated this policy are subject to discipline in accordance with provisions of section 200.020 of the Collected Rules and Regulations of the University of Missouri pertaining to student conduct matters.

### **Title IX**

University of Missouri policies prohibit discrimination on the basis of race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, pregnancy, age, genetic information, disability, and protected veteran status. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. Sex-based violence includes rape, sexual assault, unwanted touching, stalking, dating/interpersonal violence, and sexual exploitation. If you experience discrimination, you are encouraged (but not required) to report the incident to the MU Office for Civil Rights & Title IX. Learn more about your rights and options at [civilrights.missouri.edu](http://civilrights.missouri.edu) or call 573-882-3880. You also may make an anonymous report online. Students may also contact the Relationship & Sexual Violence Prevention (RSVP) Center, a confidential resource, for advocacy and other support related to rape or power-based personal violence at [rsvp@missouri.edu](mailto:rsvp@missouri.edu) or 573-882-6638, or go to [rsvp.missouri.edu](http://rsvp.missouri.edu). Both the Office for Civil Rights & Title IX and the RSVP Center can provide assistance to students who need help with academics, housing, or other issues.