

University of Missouri
Econ 3251 – Managerial Economics
Spring Semester 2020

Economics 3251 meets Tuesdays and Thursdays 12:30-1:45 pm in Neff 204.

Instructor: Robert Hazel, rahvzr@missouri.edu, Tel: 573-884-4999, Cell: 571-723-3515

Office hours: Tuesday and Thursday 10:30AM-11:30AM and by appointment, 326 Professional Building.

Teaching Assistants: Huaizhi Zhang, hzzpb@mail.missouri.edu, and Wei Zhao wzvk3@mail.missouri.edu. Hours will be posted on Canvas.

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* (3rd 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%

1st exam 25%: Tuesday, February 18

2nd exam 25%: Tuesday, March 17

3rd exam 25%: Thursday, May 7

There are no extra-credit opportunities in this class.

Participation: Participation points will come from responses to iClicker questions posed randomly throughout the semester.

Problem sets: Six problem sets will be assigned and the lowest grade will be dropped. Problem sets:

- Will be posted on Canvas, along with the due date.
- Must be submitted via file upload to Canvas as a PDF. See Canvas for instructions on converting your work to a PDF.
- Are due to Canvas by 11:59 pm on the specified date. Your upload must be timestamped prior to 11:59 pm.

- Are open-book/open-note and you are encouraged to work with other students and/or seek help during office hours.

Exams: For in-class exams, you may prepare a single-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.

On exam days, 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 **if and 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.

Attendance: Students are expected to attend the lectures, which will cover important material that is not included in the text or assigned readings. Any material covered in class 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: Students are responsible for monitoring their grades on Canvas and for promptly reporting any discrepancies between the grade they think they 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.

Questions from students are welcome before, during and after class. You should not hesitate to seek help from the instructor during office hours.

Week	Topics	Reading	Homework/Test
Weeks 1-5	Market power, market types, and market boundaries Review of supply & demand Price elasticity Production and cost Productivity and the Baumol effect Introduction to the digital economy Organization of the firm – mergers, make versus buy, principal/agent issues	PB 1-7	2 problem sets to be assigned
	1ST EXAM		1ST EXAM – TUES 2/18

Weeks 6-10	Monopoly, competition, monopolistic competition, and oligopoly Competition in the digital economy; Game theory and business strategy Collusion and cartels	PB 8-12	2 problem sets to be assigned
	2ND EXAM		2ND EXAM – TUES 3/17
3/24-3/26	Spring break		
Weeks 11-15	Strategies over time – repeated games, first-mover effects Behavioral economics and attitudes towards risk Asymmetric information Market failures, unfair competition, and government intervention Global business	PB 13-17	2 problem sets to be assigned
	3RD EXAM – IN CLASS		3RD EXAM – THURS, 5/7

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. 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 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 or 573-882-6638, or go to 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.