

SYLLABUS
ECON 3251 – MANAGERIAL ECONOMICS
Fall Semester 2022
Credit Hours: 3 Semester Hours
Time: 9:00 - 9:50 a.m. MWF
Room: Arts and Science Building 309
08/22/22 – 12/08/22

Instructor Information

Name: Rudy V. Araujo

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Office Hours: By appointment

Course Information

Catalog Description

Starting with basic economic concepts, such as price elasticity, price discrimination, and scale effects, students will gain insight into modern business strategy and be able to apply it in the real world. Questions that are explored include: 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?

Prerequisites

MATH 1400 or MATH 1500 or equivalent and ECONOM 1000 or ECONOM 1014 or ABM 1041.

Textbook

Luke M. Froeb, Brian T. McCann, Mihale Shor, and Michael R. Ward. **Managerial Economics: A Problem-Solving Approach**. 5th Edition, Cengage.

Course Contents and Objective

This course provides a grounding in microeconomic theory to help you make decisions as a manager. We will combine microeconomic theory to understand how and why individuals and firms make their decisions. Topics covered include consumer theory, the theory of the firm, bargaining and market power, pricing strategies, insurance markets, and the economics of information.

Managerial economics is a course that applies microeconomic concepts to different life settings. Its objective is to help prepare the student to analyze business, policy, and personal challenges using microeconomics. In other words, the course should prepare the student to think like an economist and use this reference framework to make decisions, assess their impact, and adjust the course of action whenever necessary.

Learning Outcomes and Main Topics

Learning outcomes

At the end of the course, you should be able to:

- a. Use economic theory to make more informed strategic decisions.
- b. Develop your technical skills and intuition to be a more effective decision-maker.
- c. Discover more about you as a strategic thinker.
- d. Find areas of study of interest to you and provide a basis for future paths.
- e. Engage in informed discussions about human behavior and its impact on the business environment and the market.

The main topics to be discussed are:

- a. Problem-solving and decision-making
- b. Pricing, costs, profits, and competition
- c. Strategic decision-making
- d. Dealing with uncertainty
- e. Managing incentives and expectations

Course Organization

Tentative Schedule

	Week	Chapters	Topic	Homework Due Date	Exam
1	08/22 – 08/26	1 and 2	Introduction to Managerial Economics		
2	08/29 - 09/02	3 and 4	Decision making	9/5	
3	09/05 - 09/09	5	Investment Decisions	9/12	
4	09/12 - 19/16	6	Simple Pricing	9/19	Sept. 12
5	09/19 - 19.23	7 and 8	Economies of Scale and Scope and Industry Changes	9/26	
6	09/26 - 09/30	9 and 10	Market Structure	10/3	
7	10/03 - 10/07	10 and 11	Strategy and Foreign Exchange	10/10	
8	10/10 - 10/14	12	Complex Pricing	10/17	Oct. 10
9	10/17 - 10/21	13 and 14	Price Discrimination	10/24	
10	10/24 - 10/28	15	Strategic Games	10/31	
11	10/31 - 11/04	16	Bargaining	10/7	
12	11/07 - 11/11	17 and 18	Dealing with Uncertainty and Auctions	11/14	Nov. 7
13	11/14 - 11/18	19 and 20	Adverse Selection and Moral Hazard	11/28	
14	11/21 - 11/25	Thanksgiving Week			
15	11/28 - 12/02	21	Managing Expectations and Incentives	12/5	
16	12/05 - 12/09	23	Vertical relationships		
17	12/12 - 12/16	Finals Week	Comprehensive Final		

Evaluation

Exams

There will be three exams and a comprehensive final exam on the dates indicated in the following chart.

Test	Chapters	Date
Test 1	Chapters 1 through 5	9/12/2022
Test 2	Chapters 6 through 11	10/10/2022
Test 3	Chapters 12 through 16	11/7/2022
Final Exam	Comprehensive	TBD

Assignments

Ten graded homework assignments, each worth up to ten points, will be available in Canvas, beginning on the second week of class. These assignments will correspond to the material covered in class during the week, as described in the tentative schedule

Students are responsible for working on these assignments weekly. Deadlines are final, and there will be no extensions.

As noted in the schedule, additional homework assignments – beyond the ten required - could be turned in as extra credit. Each homework beyond the tenth one will be worth up to five points.

Participation

Active course participation **is required**. Not only will it increase the student's knowledge and understanding of the subject, but it will also make the class more interesting.

Participation is graded based on questions, comments about the covered material, and discussions of applied economic events introduced by the students or the instructor.

The instructor keeps records of the student's participation to assign the corresponding points objectively.

Class attendance will be recorded, and the student will lose one percentage participation point per class missed after the second absence.

Grading

The following charts summarize the relative weight of each activity and the corresponding grade in total points accumulated during the semester. Reviewing these charts should help the students define their level of effort and time to commit to the class based on their grade expectations.

Activity	Points	%
Three partial exams	300	50%
Comprehensive final	150	25%
Ten assignments	100	17%
Class participation	50	8%
Total Points	600	100%

Range			Grade
Points			
541	-	600	A
481	-	540	B
421	-	480	C
361	-	420	D
0	-	360	F

Administrative Matters

Missed/Make-Up Exams

If a student cannot take a test, please notify the instructor at least **three days** in advance to reschedule the test time and location. Failure to inform the instructor will result in a zero score for the exam.

Computers, Ipad, Tablets and Cell Phones

Cell phones **cannot be used** during class for talking or texting purposes.

Computers, I pads, and tablets will be allowed to take notes or follow the lectures. Any other use is not allowed.

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 or the [Office of Academic Integrity](#).

Students are expected to adhere to this honor pledge on all graded work whether or not they are explicitly asked in advance to do so: "I strive to uphold the University values of respect, responsibility, discovery, and excellence. On my honor, I pledge that I have neither given nor received unauthorized assistance on this work."

Accommodation of Disabilities

The goal of the University of Missouri is to ensure an inclusive learning environment for all students. [The University of Missouri Disability Center](#) provides services and accommodations for students to participate fully in the learning experience and to experience equitable evaluation of their performance. Students (including online students) with a documented disability can contact the Disability Center to establish an [Accommodation Plan](#). Documented disabilities include hearing, vision, mobility, learning and attention, psychological health, and physical health. Students' accommodations are implemented with the input of students to maximize the learning experiences. The MU Disability Center keeps information about a student's disability confidential.

Please notify me of your eligibility for accommodations as soon as possible. Additionally, if there are aspects of the course that present as barriers, such as inaccessible course content (e.g., learning assessments, PowerPoints, non-captioned videos, images, tables, PDFs) or if you need an immediate accommodation due to an injury, please contact me or the Disability Center as soon as possible.

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 [Office of Academic Integrity](#), or the [MU Equity Office](#).

Academic Inquiry, Course Discussion, and Privacy

When students record something that happens in a course (a lecture, class discussions, meetings, etc.) it has an impact on the rights of the people captured in that recording. For example, the instructor and the University may have rights to the intellectual property contained in that recording. At the same time, another student who may have been recorded has the right to privacy. In order to protect these rights, MU employs a policy (called "Executive Order No. 38") to govern both situations you may encounter while taking a course – when an instructor allows recordings and when they do not.

In this class, students may not make audio or video recordings of course activity, except students permitted to record as an accommodation under section 240.040 of the Collected Rules.

Students who violate 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.

FERPA

The Family Educational Rights and Privacy Act (FERPA) of 1974 is a federal law designed to protect the privacy of educational records; to establish the rights of students to inspect and review

their education records; and to provide guidelines for the correction of inaccurate and misleading data through informal and formal hearings. The law applies to any individual who is or has been in attendance at an institution and regarding whom the institution maintains educational records. Once students have matriculated to the University of Missouri, i.e. enrolled in course work, FERPA rights transfer to the student, regardless of the student's age.

Students can enable certain individuals to have access to their education records by signing a FERPA waiver. The consent must specify records to be disclosed, state the purpose of the disclosure and identify the party or class of parties to whom the disclosure must be made.

Nondiscrimination Policy

The University of Missouri does not discriminate on the basis of race, color, national origin, ancestry, religion, sex* (including gender), pregnancy, sexual orientation, gender identity, gender expression, age, disability, protected veteran status, and any other status protected by applicable state or federal law. Discrimination includes any form of unequal treatment such as denial of opportunities, harassment, and violence. *Sex discrimination includes rape, sexual assault, sexual harassment, unwanted touching, stalking, dating/domestic violence, stalking, and sexual exploitation. Retaliation for making or supporting a report of discrimination or harassment is also prohibited.

If you experience discrimination or sexual violence, 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.

If you are a survivor, or someone concerned about a survivor, and need immediate information on what to do, see RSVP Resources page. 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.

In the event that you choose to write or speak about having experienced any of these forms of prohibited discrimination or harassment, Mizzou policies require that, as your instructor, I share this information with the MU Office for Civil Rights & Title IX. They will contact you to offer information about resources, as well as your rights and options as a member of our campus community.

Mental Health

The University of Missouri is committed to supporting student well-being through an integrated network of care, with a wide range of services to help students succeed. The MU Counseling Center offers professional mental health care, and can help you find the best approach to treatment based on your needs. Call to make an appointment at 573-882-6601. Any student in crisis may call or go to the MU Counseling Center between 8:00-5:00 M-F. After hours phone support is available at 573-882-6601.

Visit our website at <https://wellbeing.missouri.edu/> to take an online mental health screening, find out about workshops and resources that can help you thrive, or learn how to support a friend. Download Sanvello, a phone app that teaches skills and strategies to help you maintain good mental health. Log in with your Mizzou email to unlock all the tools available through Sanvello at no additional cost to you.

Last date of attendance and impact on financial aid

Federal regulations for financial aid require the student financial aid office to document the attendance of students who have received federal financial aid if they do not successfully complete any courses during the term. As a result, the last day of attendance (or activity) for any student receiving an F, U, or FN in this course will be recorded in the grade roster and reported to the financial aid office. **Based on the last day of attendance, students may be required to repay a portion of their financial aid award for the semester.**

A student's last day of attendance (or activity) is the last day on which a student participates in an academically-related activity at the University. These include:

- Attendance in class, lab, or an instructor's office hours
- The completion of an assignment or examination
- An appointment with a professor or email correspondence regarding course material
- (Online courses only) For online courses, the last day a student submits an assignment or exam. Only logging into an online class without participating is not acceptable for last day of attendance

Please note that discussing a course withdrawal or notifying the instructor of an absence in class does not constitute participation for financial aid purposes. Moreover, any office hour visits or email correspondence must be related to the course material.

Netiquette

Your instructor and fellow students wish to foster a safe online learning environment. All opinions and experiences, no matter how different or controversial they may be perceived, must be respected in the tolerant spirit of academic discourse. You are encouraged to comment, question, or critique an idea but you are not to attack an individual. Our differences, some of which are outlined in the University's nondiscrimination statement, will add richness to this learning experience. Please consider that sarcasm and humor can be misconstrued in online interactions and generate unintended disruptions. Working as a community of learners, we can build a polite and respectful course ambiance.

Religious Holidays & Accommodations

Many religious faiths are represented in the student body. The University of Missouri does not restrict student free exercise of religion, unless 1) the restriction is in the form of a rule of general applicability, and does not discriminate against religion or among religions; and 2) it can be demonstrated that the application of the restriction is essential to furthering a compelling university interest, and is not unduly restrictive considering the relevant circumstance. The policy of the University attempts to strike a reasonable balance between accommodating the religious practice of students and meeting academic needs and standard.

Consult IDE's [Guide to Religions](#) for the form that can be used to notify an instructor of an absence associated with religious practice. Students are expected to notify their instructor(s) by completing and submitting this form in a manner that is consistent with the procedure outlined in the university's policy on student religious accommodation. Providing false information regarding sincerely held religious practice is a violation of the university's Standard of Conduct and will not be tolerated.

Decreasing the Risk of COVID-19 in Classrooms and labs

If you have tested positive for COVID-19 or have been identified as someone who needs to quarantine, do not attend class in person until the mandated period for isolation or quarantine has passed. Your instructor will work with you on arrangements to access class material while you are in isolation or quarantine.

Additionally, 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.

Instructors or students with concerns about how a student is following any University-mandated COVID-19 policies and protocols should report those concerns to the Office of the Dean of Students. Concerns can be documented on a COVID Safety Measures Reporting Form.

Please note that sub-groups of students may have specific needs during COVID or online learning. One group is international students, who may be participating in class from their home countries and in different time zones. The instructor may be able to make reasonable accommodations to support the success of international students currently living in time zones that differ significantly from that of Columbia, MO. International students are expected to consult with their instructor about possible accommodations as soon as possible after the start of the course.

- [Info for Students & Families](#)
- [Info for Faculty](#)
- [Info for Staff](#)