Managerial Economics 53:135:500:01 Spring 2018

On-Line

Professor: Dr. Richard A. Michelfelder
Office: Room 437, Business and Science Center

Contact Information:
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Cell Phone 609.214.0986 (has voice mail); preferred contact phone,
E-mail: richmich@camden.rutgers.edu (please identify the class in the
subject line of the e-mail)
Online Platform: CANVAS

Office Hours: Tuesday, Thursday, 11 AM to 12 PM, or by appointment

Required Resources Obtained by Student:

Text: Thomas, Christopher R., and S. Charles Maurice, 2016, Managerial Economics,

Access to MS EXCEL™

Other Readings:

Friedman, Milton, 1968, “The Role of Monetary Policy,” American Economic Review 58,
1-17.

Selected readings from finance and economic journals, consulting and corporate reports,
white papers, newspapers, and other sources will be distributed for reading and
forthcoming review.

Course Objective:

This is an introductory graduate course in the theory and applications of economics. The
objective of the course is to understand the framework of micro- and macro-economics
and how to apply these frameworks in business or other organization management. You
will also learn regression analysis to estimate equations from economic theory that are
useful for business applications and sales and revenue forecasting.
Microeconomic topics to include a review of demand and supply, pricing, structure of the costs of the firm, and the degree of the level of competition and types of markets. Macroeconomic topics will include the goals of macroeconomic monetary and fiscal policy, aggregate demand, aggregate supply, relationship between inflation and unemployment, and a review of monetary theory and policy. The implications for financial markets, asset pricing, and the determination of interest rates will also be reviewed. Some applications of theory will include the development of an econometric model of the demand for a firm for forecasting sales and revenues in a business plan.

Since this a graduate course, you will be exposed to a few seminal academic journal articles on key issues.

**Learning Objectives:**

A partial list of learning objectives for this course are:

1) You will learn the fundamentals and framework of micro- and macro-economics at the introductory graduate level.
2) You will learn how to use economic theory to assist in the strategic management of a business or non-profit organization and frame policy analysis and decisions of government.
3) You will learn how to apply micro- and macro-economic theory for management, financial, social, and other types of analysis.
4) You will learn the basics of statistical regression / econometric estimation of equations developed in economic theory and apply them for forecasting, economic and financial analysis, and for the application of other research for business and policy related questions.

**Overall Policy and Grading:**

You are responsible for all readings and assignments on a timely basis. Your grade will be determined by the exams, any assignments, course papers, the project and online presentations. Grading is as follows:

**Final Examination: 60%**
This exam will be essay in nature and will cover all topics in the course.

**Midterm Examination: 20%**
This exam will be essay in nature and cover approximately half of the topics of the course.

**Paper / Assignments/Online Presentations: 20%**
You will develop a paper that involves the estimation and interpretation of a demand function. Demand functions are used in standard practice for business forecasting by large, mature businesses and other organizations. They quantitatively show how micro-
and macroeconomic variables as well as other variables unique to the specific business (e.g., weather and the demand for electricity) drive sales and revenues. You will present the results online in Power Point format and video to the class. The paper is due to be posted on the last class and all video presentations (10 minutes or less) and accompanying PowerPoint decks of slides are due on the last class of the semester. The final exam will be posted no later than 8 AM on the regularly scheduled final exam day and due at 11:59 PM on the same day. Each student is highly encouraged to view all students’ online presentations. Every student is required to view at a minimum one other student’s online presentation as that will be the subject of a final exam question.

**Online Venue:**

**Postings:** Every other week by Tuesday by 11:59 PM, a learning module of PowerPoint slides and sometimes other accompanying material for the module will be posted along with a video of the professor lecturing and summarizing the module and topic for the module. Generally, each of the 8 course topics will each stand for one module unless one or more of them are broken down into sub-modules.

**Questions / Discussions:** Please ask questions anytime by regular email (not through CANVAS) at: richmich@rutgers.edu. Please put the course in the subject line. If we need to talk, please feel free to call me on my mobile phone number listed above. Also, the professor encourages discussions. As an alternative to Q and A through email, you can also post a question or make a comment for the professor and students to respond on CANVAS on the discussion board. There are no required postings of discussions as this is a graduate course, however, they are highly encouraged.

**Modules:** As can be observed below, there are 8 general course topics. Each topic is a two-week module. However, one or more modules may be broken down into a few weekly sub-modules.
### COURSE OUTLINE

<table>
<thead>
<tr>
<th>TOPICS</th>
<th>READINGS¹</th>
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<tbody>
<tr>
<td>1. Overview of Managerial Economics</td>
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<tr>
<td>2. Demand, Supply, Price Determination,</td>
<td>Chapters 2, 4, 6, 7</td>
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<td>Revenues, Estimation of Demand Function</td>
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<td>And Predicting Revenue</td>
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<td>3. Regression Analysis: Estimation of Equations</td>
<td>Chapters 4, 7,</td>
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<tr>
<td>From Economic Theory for Business Management</td>
<td>Other distributed readings</td>
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<td>4. Cost Structure of the Firm</td>
<td>Chapters 8, 9</td>
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<td>5. Market Structures: Perfect and Imperfect</td>
<td>Chapter 11, 12, 13</td>
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<tr>
<td>Competition, Profit Maximization,</td>
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<td>and Pricing Strategy</td>
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<tr>
<td>6. Macroeconomic Policy Goals</td>
<td>Friedman (1968)</td>
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<tr>
<td>7. Aggregate Demand, Supply, Inflation,</td>
<td>Distributed readings</td>
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<td>And Business Cycles</td>
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<td>8. Monetary Theory and Policy</td>
<td>Friedman (1968)</td>
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¹ Note: All other assigned readings are also required readings.