

**Faculty of Liberal Arts and Professional Studies
Department of Economics
York University**

Course: ECON 3411N: Managerial Economics and Strategy

Course Webpage: <https://moodle.yorku.ca/moodle/course/view.php?id=159654>

Term: Winter 2020

Prerequisite / Co-requisites: AP/ECON 2300 3.00 and AP/ECON 3210 3.00 or AP/ECON 3480 3.00. Course credit exclusions: None. PRIOR TO FALL 2009: Course credit exclusion: AK/ECON 3411 3.0

Course Director

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Office Hours: Tuesdays and Thursdays: 3:00 - 4:00 p.m.

Time and Location

Class Meeting Time: Fridays (11:30 am - 2:30 pm)
Class Location: ACW 004
TA hours: To be posted

Expanded Course Description

The objective of this course is to familiarize students with how business managers can use economic concepts and tools to make optimal business decisions. The emphasis of the course will be on demand analysis and estimation, production and cost analysis, profit maximization in various market structures, Game theory, and advanced pricing techniques.

Organization of the Course

The emphasis of this course is on the *application* of microeconomic theory to business. So, our primary focus will be on relating theory to real life business situations. To this end, we will supplement textbook readings with selected business cases, articles, and videos for discussion. It is your responsibility to go through the assigned material for discussion and online quizzes. In class quizzes, based on the assigned readings and business cases, will be conducted in each class that will be graded and will account for 10 percent of your total mark. The material will be delivered through interactive lectures using power point slides to present theory and key concepts which will then be supplemented with 'chalk and talk' to clarify topics and to discuss business cases. The power point presentations will be posted ahead of class on Moodle course website. Lectures will be delivered in an interactive environment encouraging students to ask questions to seek clarification. Homework will be assigned that will not be graded but will assist students in applying their knowledge to real world problems and will prepare them for the exam. A few problems will be worked out in class as well. Teaching Assistant will be available during the respective

office hours to assist students with their learning. Students may also see me during my office hours or send me an email with the course number and a brief description of the problem. For questions that require detailed answers, students are encouraged to see me in my office.

Computer, Email, and Web Access:

Students must have access to a computer and internet. It is their responsibility to check their email and access Moodle course website as and when required. In case of problems they are advised to consult IT help on campus. Power point presentations, homework assignments, lecture notes, handouts, and announcements, if any, will be made available online through Moodle course website.

Course Text / Readings

1. *Managerial Economics and Business Strategy* (9th Edition) by Michael R. Baye & Jeffrey T. Prince, McGraw-Hill Irwin, 2014 (ISBN: 978-0-07-352322-4). 8th edition of the text book is also acceptable.

2. Harvard Business Review Course pack available for purchase at:

<https://hbsp.harvard.edu/import/653396>

The price of this course pack is US \$17

Week	Topic	Assigned Material
1	Fundamentals of Managerial Economics	<u>Required Material:</u> <ul style="list-style-type: none"> Chapter 1 from textbook Video: The Five Forces that shape Strategy by Michael Porter: https://hbr.org/2008/01/the-five-competitive-forces-that-shape-strategy
2	Market forces of Demand and Supply	<u>Required Material:</u> <ul style="list-style-type: none"> Chapter 2 from textbook "Hurricane Sandy: Supply, Demand and Appropriate Responses to the Gas Shortage" – Harvard Business Case
3	Quantitative Demand Analysis	<u>Required Material:</u> <ul style="list-style-type: none"> Chapter 3 from textbook "Apple Watch: The Launch" – Harvard Business Case (page 1-5 only)
4	The theory of Individual Behaviour	<u>Required Material:</u> <ul style="list-style-type: none"> Chapter 4 from textbook
5	The Production Processes and Cost	<u>Required Material:</u> <ul style="list-style-type: none"> Chapter 5 from textbook Burger King Case Study accompanying the text (posted on Moodle by Instructor)
6	Nature of Industry	<u>Required Material</u> <ul style="list-style-type: none"> Chapter 7 from textbook "Apple Watch: The Launch" – Harvard Business Case
7	Competitive, Monopolistic and Monopolistically Competitive Firm	<u>Required Material</u> <ul style="list-style-type: none"> Chapter 8 from textbook "Apple Watch: The Launch" – Harvard Business Case
8	Basic Oligopoly Model	<u>Required Material</u> <ul style="list-style-type: none"> Chapter 9 from textbook "Maruti Suzuki India Ltd. Sustaining Profitability" Harvard Business Case

9	Game Theory	Required Material <ul style="list-style-type: none"> Chapter 10 from textbook "Pricing Games: Sony PlayStation and Microsoft Xbox" Harvard Business Case
10	Pricing Strategies for Firms with Market Power	Chapter 11 from textbook <ul style="list-style-type: none"> "Exposing Price Discrimination in online shopping" CNBC video: https://www.youtube.com/watch?v=NZVpbwz6kPk How do Airlines price tickets? CNBC explains https://www.youtube.com/watch?v=EhhLXZB3kRw

Evaluation

The final mark will be based on the following components:

Evaluation Component	% weight
iClicker in class quizzes	10%
Midterm Exam	40%
Final Exam	50%
Total	100%

The final course mark (M) will be calculated according to the following Formula:

$$M = \text{Max } (0.10C + 0.40 MT + 0.50F, F)$$

Where C stands for iClicker questions MT is for Midterm Exam, HW stands for take-home assignments and F is for final exam. The final exam will be cumulative and will cover all topics discussed in class during the course of the semester. Final course grades may be adjusted to conform to Program or Faculty grades distribution profiles.

i-Clickers: i-Clicker is an electronic response system that I will use to assign in class quizzes to you. You will use this system (which is available free of cost to all York University students) to register your answers to the questions assigned in class by using any of the electronic devices that you carry such as your smart phone, tablet, or laptop. Technical tools to access this resource can be found at:

<http://its.info.yorku.ca/polling-student/>

Step by step instructions to using this resource can be found at:
<http://its.info.yorku.ca/files/2017/07/iClicker-Reef-Student-Quick-Start.pdf>

Each i-Clicker session will consist of 3-5 questions to be answered in class. These sessions will be held any time during class and will not take more than 10 minutes. Each clicker session will be graded out of 5 points. Three of the five points will be awarded for answering at least 75% of the questions posed in class, even if all of these are answered incorrectly. This is the "participation" portion of the clicker grade. The remaining two points will be awarded based on the number of questions answered correctly. This will be the "performance" portion of the clicker grade. Your best 80% of the sessions will be included in your final mark to allow for any contingency that may prevent you from coming to the class.

Grading: The grading scheme for the course conforms to the 9-point grading system used in undergraduate programs at York (e.g., A+ = 9, A = 8, B+ = 7, C+ = 5, etc.). (For a full description of York grading system see the York University Undergraduate Calendar - <http://calendars.registrar.yorku.ca/2010-2011/academic/index.htm>)

Exams: The exams for this course will consist of both multiple choice questions (70%) and short answers (30%). The midterm exam will be held in class on **Friday, February 28, 2020** and will cover all material that we will cover from beginning till the last class before the midterm exam. Final exam will be held during

official examination period which is April 7 - 22, 2020. The precise date of the final exam will be scheduled by the registrar's office. The final exam will be comprehensive in the sense that it will include everything that we will cover in class up till the last class before the final exam.

Missed Tests: No make-up exams will be given for a missed midterm exam. In case you miss the final exam, you will be allowed to write a deferred exam only by completing the *Deferred Standing Agreement Form* and by providing a completed Registrar's Office Attending Physician's Statement.

IMPORTANT COURSE INFORMATION FOR STUDENTS

All students are expected to familiarize themselves with the following information, available on the Senate Committee on Academic Standards, Curriculum & Pedagogy webpage (see Reports, Initiatives, Documents) - <http://secretariat.info.yorku.ca/files/CourseInformationForStudentsAugust2012.pdf>

- Senate Policy on Academic Honesty and the Academic Integrity Website
- Ethics Review Process for research involving human participants
- Course requirement accommodation for students with disabilities, including physical, medical, systemic, learning and psychiatric disabilities
- Student Conduct Standards
- Religious Observance Accommodation

Course ADD/Drop Deadlines

	Winter Term, 2020
Last date to add a course without permission of instructor (also see Financial Deadlines)	Jan 19, 2020
Last date to add a course with permission of instructor (also see Financial Deadlines)	Feb 3, 2020
Last date to drop a course without receiving a grade (also see Financial Deadlines)	March 13, 2020
Course Withdrawal Period (withdraw from a course and receive a grade of "W" on transcript – see note below)	March 14 - April 5, 2020

****Policy and Guidelines on Withdrawn from Course:** <http://secretariat-policies.info.yorku.ca/policies/withdrawn-from-course-w-policy-and-guidelines/>