

Managerial Economics and Strategy

Ap/Econ 3411, Winter 2024

Key information

Instructor: Karen Bernhardt-Walther
Contact: bkaren@yorku.ca, Discord
Meet: Mondays 11:30-2:30pm
Office hours: Mondays 3-4pm VH 1070
and by appointment
Web: eclass.yorku.ca

Course Material

For this course you need

- Access to the course pack of cases (link available on eClass).
- A notepad. Taking good notes and reviewing them between classes is essential.
- 8-10 hours each week (incl class time) to spend on this course to stay on track.

You should take this course if you want to

- Better understand business decisions and how economic frameworks can guide the decision-making process.
- Gain deeper understanding of economic models, their limitations, and how to usefully apply them to real-world cases.
- Take an engaging class, where you can stretch yourself and grow professionally.

You should not take this course if you

- Won't be able to attend at least ten out of twelve lectures.
- Require a class with step-by-step instructions or with traditional lectures.
- Cannot spend 8-10 hours (including class) per week on this course.
- Have not passed Econ2300.

Objectives

At the end of this course successful students will

- Understand central questions of managerial economics, such as pricing, vertical and horizontal interactions and be able to identify these questions in real-world situations.
- Be able to analyze real-world business scenarios using microeconomic models.
- Be able to communicate economic arguments and insights professionally.

Course Structure

Our course consists of three parts.

Part I: Review, Vertical interactions (wk 1-4)

Cost structure of the firm (review)
Perfect competition & monopolies (review)
Vertical interactions: market power across supply chains and vertical mergers.

Part II: Horizontal interactions (wk 5-9)

Horizontal mergers, Prisoners' dilemma (review) and other strategic interactions, strategically changing the game, sustaining collusion.

Part III: Inside the firm (wk 10-12)

Incentives, contracts, and culture.

Course Work

In this course, you will work on five types of assignments:

- (1) *Foundational quizzes*: Five foundational quizzes will become available over the course of the term, starting in week 3. Each quiz covers a different topic. You have unlimited attempts at each quiz. You must earn the required points (typically 80%) to earn a pass on a foundational quiz.
- (2) *Guided analysis*: At least ten guided assignments are offered throughout the term. Each asks you to work through a longer model or question. You complete as many of these assignments as you like and submit them on eClass. You can resubmit each assignment as often as you like until you receive a pass.
- (3) *Case Write-ups*: Case studies ask you to analyse a real-world business scenario. You choose which model(s) to use in your analysis. You complete as many case studies as you like and submit them on eClass. You can resubmit each assignment as often as you like until you receive a pass.
- (4) *Note taking*: Good note taking (reasonably complete, authentic to the author, easy to navigate) is essential for success in this course and as a professional skill. I encourage you to take careful notes that reflect our discussion and your understanding. Distinguish models and terminology. Leave a broad edge where you can add thoughts and comments after class. Make sure your notes are easily glanceable. Consider numbering your pages and creating a table of content on the first page of your notes. At the end of the last class of each part (week 4, 9, and 12) you can show me your notes to earn credit.
- (5) *Final Exam*: The final exam takes place during the final exam period in April. It gives you an opportunity to demonstrate your mastery of the overall course material. More details will be made available as we approach the end of the term.

Guided analyses and case write-ups are submitted on eClass.

Submissions: All submissions must be typed. Formal expressions must be type-set. Each week, you can submit and receive feedback on up to two submissions. For exception rules see below.

Feedback: You receive feedback and an assessment on each guided analysis and case write-up you submit. You can receive feedback on up to two submissions in every week of the term.

Assessment: Your submissions are assessed on an EMRN-scale:

- [E]: Excellent/ Exemplary: The work meets or exceeds expectations of the assignment. Communication is clear and concise. Mastery of concepts is evident.
- [M]: Meets expectations: The work meets expectations of the assignment. Understanding of concepts is evident through correct work. Communication is clear and audience-appropriate.
- [R]: Revision needed: Partial understanding of concepts is evident, but significant gaps remain. Needs further work, more review, and/or expanded explanations.
- [N]: Not assessable: Not enough information is available to determine whether there is understanding of concepts. The work is fragmented and/or contains too many omissions. Or there are too many issues to justify correcting each one.

Course grade

This course uses specification grading. This means, you earn a certain grade based on reaching specific milestones. In particular, you earn a *base grade* based on your work throughout the course. This base grade is adjusted based on your performance on the final exam.

Base Grade: Your work in the first four components determine your base grade according to the following table. Start in the bottom row and check off boxes, working upward, as you complete assignments. The row with the best grade in which you have checked off all boxes determines your base grade.

Base Grade	Foundation Quiz (5)	Guided Analysis (E or M) (10)	Case write-up (E or M) (5)	E's earned or satisfactory note taking
A		☐	☐	☐ ☐
B	☐	☐ ☐	☐	☐ ☐
C	☐	☐ ☐ ☐		☐
D	☐ ☐ ☐	☐ ☐		

Example: You complete 4 foundational quizzes, 6 guided analyses (one with an E), two case write-ups, and earn a note-taking pass on two parts. Your base grade would be a C (see table on the right). If you complete one more foundation quiz and one more guided analysis, then your base grade would be a B.

Base Grade	Foundation Quiz (5)	Guided Analysis (E or M) (10)	Case write-up (E or M) (5)	E's earned or satisfactory note taking
A		☐	☒	☐ ☐
B	☐	☒ ☐	☒	☒ ☒
C	☒	☒ ☒ ☒		☒
D	☒ ☒ ☒	☒ ☒		

Final grade: Your final grade will be adjusted based on your performance in the final exam.
If the score in your final exam is

- ☐ 71% or higher: Your base grade will be increased by 1/3.
Example 1: Your base grade is A. Your final grade is an A+.
Example 2: Your base grade is C. Your final grade is a C+.
- ☐ 41-70%: Your base grade will be your final grade.
Example 1: Your base grade is A. Your final grade is an A.
Example 2: Your base grade is C. Your final grade is a C.
- ☐ 40% or less: Your base grade will be decreased by 1 letter grade.
Example 1: Your base grade is A. Your final grade is a B.
Example 2: Your base grade is C. Your final grade is a D.

Exceptions: Each student is allowed three exceptions this term. You can use up to one exception in any given week to make a third submission. You can use two exceptions to check off a single box in the grading table.

Email Etiquette

Email is usually not an effective way to discuss economics; instead in-person communications are more appropriate. Please talk to me before/ after class, come to office hours, or make an appointment. If you have questions, please post on Discord. I respond on discord within 24 hours, except on weekends. Please do not send attachments unless requested. If you do reach out via email, make sure to include Econ 341 in the subject line, and please be as specific as possible. Emails between instructors and students constitute professional communication; please treat them as such.

Academic Integrity.

Why

Upholding high standards of Academic Integrity is essential for successful academic discourse, and to the pursuit of learning and scholarship. Respecting and enforcing these standards at our University also ensures that the degree you earn from York University is a strong signal your learning and academic achievement.

How

You uphold high standards of Academic Integrity by:

- doing and submitting only your own work
- not permitting others to use your answers
- giving credit to others for their ideas and works
- quoting your sources, correctly paraphrasing and summarizing

More information

If you have questions or concerns about what constitutes appropriate academic behaviour, please consult with me or seek additional resources.

Enforcement

York University takes its responsibility to uphold high academic standards very seriously. The [Senate Policy on Academic Conduct](#) outlines the behaviours that constitute academic dishonesty and the processes for addressing academic offences. Sanctions in cases of cheating can include temporary and permanent records on your transcript, suspension from the course, up to suspension from the University.

It's not up to the instructor

If I observe behaviour that might involve academic dishonesty, I am required to report it. It is not up to me to judge whether the behavior was unintended, a minor infraction, a first-time infraction, etc. I am professionally bound to report any suspicious behavior.