



## **Tiffin University Prague**

**Course: Managerial Economics**

**Course Code: ECO 524**

**Class Schedule:** Saturdays, 9:00 to 18:30; Sundays, 9:00 – 13:30

**Instructor: Petar Stankov, Ph.D.**

**Office Hours:** Every class day, for 30 minutes after class, or by prior email appointment.

**Phone (working hours):** +420.224.005.206

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**Quadmester Offered:** Spring 2010

### **Catalog Description**

This course builds on basic concepts of microeconomics, and places an emphasis on the firm's use of limited information in an uncertain environment. A global perspective is stressed.

### **Course Prerequisite(s)**

None. However, as the course will be fast-paced, and there will be many new concepts and real-life events to discuss, a basic revision of any prior knowledge of micro- or macro theory would be directly applicable to the class discussions, and therefore, contributory to your progress, and ultimately, to your grade.

### **Course Purpose**

The purpose of the course is to provide basic principles of microeconomics and macroeconomics which are essential to managerial decision-making. The students will learn to analyze consumer and producer behavior, and their mutual interactions. Further, the recent world economic and financial crisis has made the macroeconomic policy decisions highly relevant for business managers. Wherever possible, the links between micro and macro decisions will be emphasized.

### **Required Readings, Text**

Farnham, Paul G. *Economics for Managers*, Pearson, Prentice-Hall. 2005, ISBN: 0-13-092425-3

### **Supplemental Readings**

Case studies from *The Economist* mainly, possibly also from *Harvard Business Review*, *Wall Street Journal*, and *Business Week*.

### **Learning Objectives**

Upon successfully completing this course the student will be able to:

- Discuss the basic economic principles utilized by managers of business organizations.
- Explain how these economic principles provide ample justification for decisions made by managers.
- Determine the capabilities for solving pertinent economic and business-related problems.
- Analyze how the current economic crisis and policy actions taken by the government are related to the industry the students are involved in.
- Demonstrate the appropriate level of competence in written expression as demanded by the discipline and as expected of a graduate student.
- Demonstrate the appropriate level of competence in library research as demanded by the discipline and as expected of a graduate student.

### **Content of the Course**

The course will cover both micro- and macroeconomic topics. The future successful managers will know why they need to know the basics of economics, and how they can make the most out of their economic knowledge. More specifically, upon learning how equilibrium prices and quantities are determined, they will learn one of the most important concepts not only for economists but also for managers: demand elasticity. They will also know how to estimate those elasticities, and eventually how to spot a bad research product by a

consultant they hired to do a market research for them. The course will also cover some of the most ubiquitous forms of market competition: perfect competition, monopoly, and monopolistic competition. The market structure discussions, and the impact of the crisis on them, will serve as a basis for the macro part of the course. The students will learn the most important components of the GDP, the role of money in the economy, and the role the central banks play in the economy. Finally, the discussions will be completed with some possible ways the global economic crisis affects the decisions taken by the governments and avenues through which those decisions affect the everyday business activity of managers.

### **Attendance Policy**

In accordance with the policies of the university, class attendance is required and classes will start promptly at the scheduled time. Students are expected to be on time to class and to return promptly from breaks. Excessive lateness may constitute a class absence and may negatively affect your final grade. If a student misses from between 1 to 6 hours of the course, their final grade may be negatively affected as determined by the instructor. If a student is absent from the course over 6 hours, they will fail and a final course grade of "F" assigned. Attendance will form 15% of your grade.

### **Academic Honesty**

Tiffin University Prague has a zero tolerance for plagiarism, cheating and other forms of academic dishonesty. Cheating on exams and quizzes will result in a failing grade for the course. Plagiarism, submitting written assignments that are not your own work, but work copied from, books, articles, internet without citations, papers of classmates and papers prepared by person(s) other than yourself may result in a failing grade for the course. The suspected work will be turned over to the Academic Program Director for evaluation and final decision. See Tiffin University Ohio's Student Handbook and Academic Catalog for more information on academic honesty.

### **Course Requirements**

The class format will include readings, multimedia based presentations, and case discussions. Small homework assignments will be included for individual work. In addition, a final exam will be administered. To maximize your chances of a good grade, please get acquainted with the material in advance.

### **Participation**

Participation is a vital component for your success in this course. It develops your economic way of thinking, it helps you understand better the business reality around you, and of course, it contributes significantly to your grade. Participation will form 10% of our grade.

### **General Requirements**

- Late assignments and absence from tests will not be tolerated. In the event of illness or emergency, contact your instructor IN ADVANCE to determine whether special arrangements are possible.
- The University's rules on academic integrity (e.g. cheating, plagiarism, submitting false information) will be strictly enforced. Please familiarize yourself with the honor code outlined in Tiffin University Ohio's Student Handbook and Academic Catalog or ask your instructor for clarification.
- Electronic devices may or may not be used in the classroom as determined by the instructor.

### **Other Class Policies**

- 1) Mobile phones can be switched on but their sound MUST be off! Mobile phone usage is NOT allowed during the lecture. If you need to use your phone, please quietly leave the lecture hall.
- 2) Mobile phones are NOT calculators. You will definitely need a calculator on the exam, and your mobile phone will be switched off during the exam. Therefore, bring a calculator for the exam.
- 3) Laptops are allowed in class for taking notes only.
- 4) All emails to the teacher regarding either a class question or a request for an appointment will have the subject: "ECO 524: Managerial Economics: a question/request, etc." If you do not address the email in the above way, it risks being considered as spam (unwanted email message). All appointments will be arranged for on the premises of either Tiffin University or CERGE-EI. All other consultations will be shortly before and/or after class, for not more than 30 minutes.
- 5) Ideally, all class lecture notes and presentations will be distributed BEFORE each lecture on the class web-site, so that students can print them and take notes on them. Therefore, students are responsible for checking the class-webpage at least once a week, and their emails more often.
- 6) PLEASE BE RESPONSIBLE WITH PRINTERS AND PAPER: PRINT 4 SLIDES ON ONE PAGE, USE THE BLACK AND WHITE COLOR OPTION, AND USE DOUBLE-SIDE PRINTING. THUS, YOU CAN HAVE 8 (!!) SLIDES ON ONE PAGE, INSTEAD OF ONLY ONE. ECONOMICS IS ALL ABOUT ACHIEVING MAXIMUM RESULTS WITH MINIMUM RESOURCES;-)

- 7) **DURING EXAMS:** Mobile phones and notebooks usage during exams is NOT allowed in any case, and they must be switched off.

Additional class policies may be distributed via email. Therefore, check your emails regularly too.

**Criteria for Determination of Final Grade, including Evaluation Methods**

Activity	Percent	Description
Final Exam	25	A multiple-choice exam encompassing the entire class material.
Attendance & Participation	25	Case studies, class discussions
Assignments 1 & 2	50	Weekly homework assignments dealing with the topics discussed in class.

**Grading Scale**

Letter Grade	Percent (%)	Quality Points earned per credit	Generally Accepted Meaning of the Grade
A	91- 100	4.00	Outstanding, distinctive work
B	81 – 90	3.00	Better than average; very good work
C	71 – 80	2.00	Acceptable, good work
F*	Below 71	0.00	Work that does not meet minimum standards for passing the course
I**	Incomplete	0.00	A grade will not be given in the course until the incomplete course requirements are met.

\* A grade of “C” is the minimum passing grade for an MBA courses. A maximum of two “C” marks are allowed in the program. Receipt of an “F” grade may result in automatic suspension from the program.

\*\*A course grade of incomplete will be given only under very unusual circumstances, and only if the student has completed at least 75% of the assigned work by the last day of class. An incomplete contract must be signed and approved for the grade to be given.

**Good luck!**  
**P. Stankov**

**Bibliography (Additional Readings)**

Additional readings from the abovementioned sources will be provided by the instructor during the course.

**Date Prepared and By Whom Prepared**

March 10, 2009, Petar Stankov

**Date Reviewed**