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Office hours available by appointment

Course Description: A course to develop business strategy and critical thinking skills through the use of economic modeling and concepts. Evaluation of business problems and emphasis on the application of economics to management decision making.

Text: Fundamentals of Managerial Economics by Mark Hirshey, 9th edition, South western publishing, ISBN 0324584830

Learning objectives :

Upon completion of the course, students should be able to:

- Explain consumer's reaction to changes in their incomes, preferences, prices and other economic variables.
- Interpret relationships between input costs and output, and their effects on cost curves.
- Demonstrate knowledge of market structures and competition on output, costs and prices.
- Explain how the profit-maximizing price is determined in various market situations.
- Measure the response of market demand to changes in economic variables such as prices and incomes.
- Understand cost theory and the methods used to estimate cost functions.
- Demonstrate resource-allocation and decision making skills to solve common business problems.
- Comprehend the importance of game theory and its application in the competitive model.
- Understand how government policies can influence the decisions of businesses

Material Covered:

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|--------------|--|
| August 25 | Introduction to Economics, Skim Chapter 1 Read Chapter 2 |
| September 8 | Exam 1 – 30 points Read Chapter 4 – Demand and Supply, Read Chapter 5 – Demand analysis and Estimation Read article on e-companion – Elasticity and Concert Tickets Homework from week 1 due |
| September 15 | Skim Chapter 7 – Production analysis and Compensation Policy, Read Chapter 8 – Cost Analysis and Estimation Read beginning of Chapter 10 – Competitive Markets Homework Due from page 73 in KEAT & YOUNG book. Problems 2-5 (chapter 3) Homework Due Hirshey text P224, Question 7-6 (on e-companion) Article Analysis due |
| September 22 | Exam 2 – 50 points Finish Chapter 10 – Competitive Markets, Read Chapter 12 Monopoly and Monopsony Read Chapter 13 Monopolistic Competition and Oligopoly |
| September 29 | Read Chapter 18 – Government in the Market economy, Read Pg 232-243 of Bogart book (will be posted or distributed in class). Read Chapter 15 – Pricing Practices Outsourcing Homework due – Market structure profit maximizations |

October 6 Exam 3(50 points) ,
Presentations

NOTE: THOUGH I WILL MAKE EVERY EFFORT TO ADHERE TO THIS SCHEDULE, THERE MAY OCCASIONALLY BE AN ADJUSTMENT NECESSARY DUE TO A MIS-CALCULATION ON THE LENGTH OF TIME NEEDED TO ADEQUATELY COVER THE MATERIAL AND COMPLETE THE ASSIGNMENTS. IF CHANGES OCCUR, I WILL NOTIFY YOU IN CLASS AND THROUGH E-COMPANION AS QUICKLY AS POSSIBLE

Grading:

| | | |
|--------------|---------------------------|----|
| Point totals | Exam 1 | 30 |
| | Exam 2 | 50 |
| | Exam 3 | 50 |
| | Homework | 20 |
| | Article Analysis | 10 |
| | Market Structure Analysis | 20 |

Evaluation:

Exams/Quizzes: There are 3 exams in the course .The first one is worth 30 points, the next 2 are worth 50 points each. Exams will consist of short answer, problems and multiple choice questions

Homework: Homework problems are listed for several nights of class. Each homework assignment is worth 5 points. Late assignments will not be accepted.

Article Analysis: Due September 15th. A short (2-3 page, double spaced) article analysis is due which demonstrates concepts addressed in week 1 or 2 of the course. Articles can be taken from business periodicals, newspapers, or journals. Web site postings are not appropriate for this assignment. A brief summary of the article should be included, but the majority of the paper should be related to analysis. Articles will be graded based on accuracy of analysis and discussion of how the issue relates to course material. (10 points)

Market Structure Analysis: 20 points

In groups of 3 (you choose partners), select an industry that has undergone substantial changes in the last decade regarding the number of competitors in the market in which it competes.

Provide a detailed industry analysis using the market structure of operations as a basis for your information. There is a rubric for evaluation that is posted on e-companion so you know how the presentation will be evaluated. Use the following as guides for preparation:

- In which market structure does this industry operate?
- Define what services/products are offered by this industry
- Who are the competitors? Is there a clear price leader or large scale producer who dictates changes in price, quantity, or product features?
- How are changes made to products/services? Is there a long delay time for new product entry or for copycats due to high fixed costs or R & D expenditure?
- What are the barriers to entry? (if any) What governmental hurdles prevent or encourage consolidation of firms?
- What are the greatest cost concerns that firms in this industry face?
- Is the industry as a whole profitable? Provide recent profit/loss figures.
- What does the future hold for this industry? What changes are on the horizon? Does it appear that there will be any change in which market structure it operates?
- Analyze whether this industry could function better if it were operating in a different market structure. For example – the airlines are generally viewed as being an Oligopoly. If they were to become owned by the government and thus run as a monopoly, what would improve? What would deteriorate? Any market structures that are conceivable should be evaluated.

Some examples of possible industries to choose:

Cereal Producers

Airlines

Cable Television Providers

Telephone Service Providers (cell or land lines)

Video Games

Delivery Services

Regional Cable/Dish Network providers

Internet Services

All points from this analysis are derived from the in-class presentation. No written work is required. A grading rubric will be provided beforehand.

Class Organization and Preparation: Chapters should be read before the material is covered in class. Class format will consist of lecture, discussion and case study analysis as appropriate.

MBA ATTENDANCE POLICY: Students are expected to attend all classes in their entirety. In the event of an emergency or other significant conflict, students are responsible for notifying the professor prior to class and for fulfilling all class requirements according to the professor's directions (see late Class Preparation Assignment Policy). A planned absence from one evening class may be excused provided the student: 1) Expresses in writing to the professor an acceptable reason for the absence, 2) Receives permission from the professor, and 3) complies with all make-up assignments. Absence from an additional class will result in grades of 0% for the written assignments due for the class missed. Absence from more than two classes will result in failure of the course.

LATE CLASS PREPARATION ASSIGNMENT POLICY: Class preparation assignments are due on the assigned date, even if you do not attend that class. If you have a planned absence from a class and have provided written notification of the absence to the instructor the grade for the class preparation assignment will not be lowered if the assignment is turned in by the class period for which it was assigned. If a class preparation assignment is turned in late it will receive a maximum grade of "C". Assignments not turned in due to emergency absences will be handled on a case by case basis.

Academic Integrity: Any student caught cheating in this class will receive a course grade of F. Plagiarism is included in this definition of cheating. College policies will be followed. See the graduate catalog for a detailed explanation of academic integrity expectations.

E-Companion: All articles can be found on the Malone-online site unless otherwise indicated. It will also be used to manage our email communication. The email address listed in e-companion must be one that you check, please adjust it accordingly.

Final Note: I try to keep the classroom informal yet conducive to learning. I expect that you will contact me with questions about the material and make me aware if any 'special circumstances' arise during the term.