

THE UNIVERSITY OF TENNESSEE AT MARTIN
College of Business and Global Affairs
Department of Accounting, Economics, Finance and Political Science

Course Syllabus

Economics 710
Managerial Economics
4 graduate hours in economics

Course textbook: *Managerial Economics and Organizational Architecture* by Brickley, Smith and Zimmerman, 6th edition. McGraw Hill Publishers; any recent edition of a principles of microeconomics textbook may be used as a supplement for the required textbook, but is not required.

Office hours: by appointment

Course Description: Fundamentals of microeconomics and applications of economic theory and methodology are the primary focus of this course, with the goal of enhancing managers' ability in employing economic principles in business decisions. The first two-thirds of the course entail conventional quantitative approaches in applying economic analysis to the theory of firms in general. The remaining portion of the course employs a hybrid model that is composed of economic theory and management theory and is devoted to analyzing corporations.

Course Delivery: The course will be delivered online using prerecorded video lectures and via five in-class sessions throughout the summer.

CBGA Mission Statement:

The college's main priority is the delivery of excellent undergraduate education in business disciplines as well as international studies and political science. Student-faculty interaction is central to this education process. Moreover, the college emphasizes experiential-learning opportunities, a global outlook, quality graduate instruction, scholarly research, university and professional service, and west Tennessee economic development.

CBGA Graduate program learning objectives: Not all aspects of these objectives will be covered in ECON 710.

Graduates of the MBA program will demonstrate:

1. effective written and oral communication.
2. effective leadership and teamwork skills.
3. an understanding of the integrated nature of business functions.
4. the ability to think critically and use analytical approaches in making effective decisions within a dynamic business environment.
5. an understanding of the ethical dimensions of business decisions.

Course Objectives: Students should develop the ability to apply economic logic and reason coupled with management principles to understand and solve management problems within firms, and to improve overall firm profitability. As part of accomplishing this general objective, students are expected to develop, by the end of the course, a thorough understanding of the topical areas shown below:

- The methodology and science of economics
- Various models of human behavior
- The principles of supply and demand
- Revenue and demand analysis
- The economics of costs and production
- Pricing strategies and profit analysis
- Market structure analysis
- Overall firm strategy
- Principal-agent problems in firms
- Information problems in firms
- The elements of organizational architecture

Course Requirements: Students should view all lectures, read all assigned chapters, work all homework problems, and must take two exams.

Grading Scale: A=100%-90%; B=89%-80%; C=79%-70%; D=69%-60%; F<60%

Disability Accommodations: Any student eligible for and requesting academic accommodation due to a disability is required to provide a letter from the Student Success Center to the professor within the first two weeks of the semester.

Student Conduct: Any student caught in an act of academic dishonesty/fraud will be assigned a final grade of F and be referred to university officials for further disciplinary action. Students are expected to work independently and not seek input from anyone when taking online exams.

Topical coverage (which corresponds to textbook chapters covered) for each test is approximately as follows: The order and testing of topical coverage may vary slightly.

Part 1

- Science and Methodology of Economics Chapter 1
- Models of Individual Behavior Chapter 2
- Supply and Demand Chapter 3
- Demand Analysis, Elasticities and related topics Chapter 4
- Cost Analysis Chapter 5
- Production Analysis Chapter 5
- Market Structure Analysis Chapter 6

Market Power Chapter 6

Mid Term Exam: Quantitative problems and short answer questions

Part 2

Pricing with Market Power Chapter 7

Firm Strategy Chapter 8

Incentive Conflicts and Contracts Chapter 10

Brief Intro to Organizational Architecture Chapter 11

Decision Rights Chapter 12, 13

Labor Markets and Wage Determination Chapter 14

Incentive Compensation Chapter 15

Performance Evaluation Chapter 16

Final Exam: Quantitative problems and multiple choice questions