



Managerial Economics

ECO 239

Instructor Info

-  Avik Sanyal
-  Office Hrs: Tue & Thurs 1-2p
-  STV 426D
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Course Info

-  Prereq: ECO 101 or 105 and ECO 138 or MQM 100 or MAT 252 or MAT 351
-  Monday & Wednesday
-  2 to 3:15 pm
-  STV 434

Lab Info

TA Info

-  Kim Nguyen
-  TBD
-  TBD

Overview

Welcome to ECO 239: Managerial Economics. Managerial economics, a branch of microeconomics, equips managers with powerful conceptual tools for analyzing market systems and making strategic decisions in business firms. In complex and uncertain situations, it provides essential tools like quantitative demand analysis and price discrimination. Moreover, it offers a framework to analyze industry dynamics, exploring concepts such as entry barriers, sunk costs, the learning curve, and switching costs. This strategic thinking helps managers understand and anticipate competition dynamics, particularly in industries with few players.

Material

Required Texts

Samuelson, William and Marks, Stephen. *Managerial Economics*. 7th edition. Wiley. 2012.

Other

Any additional material will be provided on Canvas.

Grading Scheme

20%	Group Project
20%	Homework Assignments
10%	Quizzes
20%	Midterm Exam
30%	Final Exam

Grades will follow the scale: A = 85 - 100; B = 70 - 85; C = 60 - 69; D = 50 - 59; F < 50. Curving is at the discretion of the professor.

Learning Objectives

- Develop an understanding of important concepts and applications of managerial economics.
- Develop an understanding of different market structures and their key features and equilibrium outcomes
- Apply game-theoretic tools to undertake strategic decisions

Homework

There will be several homework assignments that will account for 20% of your grade. The assignments will be posted on Canvas a week or two in advance. Some assignments can be completed on Canvas while others will require a hard copy to be handed in class. Late submissions will be accepted only under exceptional circumstances with valid documentation.

Exams

The course will have a midterm exam on week 7, worth 20% of your grade and a final exam worth 30%. The exams will have both multiple choice and short answer questions.

Quizzes

There will be multiple in-class quizzes administered throughout the semester which will account for 10% of your grade. The quizzes will need to be taken in class on Canvas and you will be notified at the beginning of said week about the quiz. Make sure you have a device like your laptop/tab/cell phone to take the quiz. Each quiz will be worth 5 points. You will get 2 out of 5 for just completing the quiz and the remaining 3 points will depend on your answers. If you do not attend class during an in-class quiz, then you will be allowed to retake it only if you have a valid excuse for absence (with documentation).

Project and Presentation

The course will have a group project which you will be required to submit and present in class in Week 14. The topics will be given out at around week 5. The project will count for 20% of your grade with your score depending on both the project and its presentation.

Make-up and Late Submission Policy

Make-up exams or late submission of assignments will only be allowed for students who have a substantiated excuse approved by the instructor *before the due date*. Leaving a phone message or sending an e-mail without confirmation is not acceptable.

Accommodations for Students with Disabilities

If you are a student with a documented disability that requires special accommodation, please contact Student Access and Accommodation Services at 350 Fell Hall.

Phone: (309) 438-5853

Email: AbleISU@ilstu.edu

Website: <http://studentaccess.illinoisstate.edu/>

Diversity and Inclusivity Statement

I consider this classroom to be a place where you will be treated with respect, and I welcome individuals of all ages, backgrounds, beliefs, ethnicities, genders, gender identities, gender expressions, national origins, religious affiliations, sexual orientations, ability - and other visible and non-visible differences. All members of this class are expected to contribute to a respectful, welcoming, and inclusive environment for every other member of the class.

Academic Integrity

The Illinois State University Code of Student Conduct and Academic Integrity is central to the ideals of this course. Cheating, plagiarism, collusion, unauthorized distribution of lecture resources, and other violations of the Code are most serious and will be handled in a manner that fully represents the seriousness of its violation with possible punishments including assigning a grade of F for the class and possible dismissal from the university.

Class Schedule

Week 1	Introduction	Samuelson et al, Ch 1
Week 2	Demand and Supply	Samuelson et al, Ch 3.
Week 3	Elasticity	Samuelson et al, Ch 3
Week 4	Production Function	Samuelson et al, Ch 5
Week 5	Cost Function	Samuelson et al, Ch 6.
Week 6	Market Structure: Perfect competition	Samuelson et al, Ch 7.
Week 7	Review	
	Midterm Exam	February 28 (<i>tentative</i>)
Week 8	Market Structure: Monopoly	Samuelson et al, Ch 8
Week 9	Spring Break	
Week 10	Oligopoly: Quantity Competition	Samuelson et al, Ch 9.
Week 11	Oligopoly: Price Competition	Samuelson et al, Ch 9
	Pricing and Bundling	Samuelson et al, Ch 9 (Appendix)
Week 12	Game Theory	Samuelson et al, Ch 10.
Week 13	Game Theory	Samuelson et al, Ch 10.
Week 14	Asymmetric Information	Samuelson et al, Ch 15,
Week 14	Class Presentation	
Week 15	Class Presentation and Review	
Week 16	FINAL EXAM	December 11th
