Managerial economics looks at the decision making facing the managers, the central decision makers in firms. To start with, we discuss the nature of the firm and the relationships between managers and owners. We then study how managerial decisions are constrained by different factors including market structure, entry and exit, uncertainty, information, and government regulation.
Mode of Delivery | On campus.
--- | ---
Prerequisites | Econ1101 (for 2014 students)
Course Convenor/Lecturer: | Tina Kao
Office: Room 2015, H. W. Arndt Building
Email: | tina.kao@anu.edu
Office hours for student consultation: | Tuesdays 2 to 3 pm for teaching weeks
Tutor | TBA
Student administrator/s | Ms Karissa Carkeet
Office: Room 1013, H. W. Arndt Building
Phone: | 6125 0384
Email: | karissa.carkeet@anu.edu.au
Lecture time and location | Regular hours for all students: Tuesday 4 to 6 pm (MCC T4).
Additional hour for 6014 students: Runs Weeks 8 to 13, Thursday 10 to 11 am (CBE Bldg TR1).
Tutorial time and locations TBA. Please refer to the section on tutorial enrolment in this outline.

SEMESTER 1
2015

wattle.anu.edu.au

COURSE OVERVIEW
Learning Outcomes

On satisfying the requirements for this course, students will be able to:

- Understand the internal and external decisions to be made by managers
- Understand the design of competition strategies, including pricing, product differentiation, research & development, and marketing, according to the natures of products and the structures of the markets
• Understand the design of optimal incentive schemes, including salary, bonus, and stock options, for managers

• Analyse real-world business problems with a systematic theoretical framework.

**Proposed Assessment (Summary):**
Assessment for this course will be confirmed after consultation with students at the first lecture of the semester. If there are any changes to the assessment, those changes will be publicised on Wattle.

For students enrolled in Econ2014:

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Tentative Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tutorial assessment (Tutorial participation and assignment(s))</td>
<td>10 %</td>
<td>TBA</td>
</tr>
<tr>
<td>2. Midterm exam</td>
<td>30 %</td>
<td>TBA</td>
</tr>
<tr>
<td>3. Final exam</td>
<td>60 %</td>
<td>TBA (please refer to final exam timetable)</td>
</tr>
</tbody>
</table>

For students enrolled in Econ6014:

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Tentative Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Tutorial assessment (Tutorial participation and assignment(s))</td>
<td>10 %</td>
<td>TBA</td>
</tr>
<tr>
<td>2. Midterm exam</td>
<td>25 %</td>
<td>TBA</td>
</tr>
<tr>
<td>3. Final exam</td>
<td>55 %</td>
<td>TBA (please refer to final exam timetable)</td>
</tr>
<tr>
<td>4. Postgraduate Assignment</td>
<td>10%</td>
<td>TBA</td>
</tr>
</tbody>
</table>

All the exams are not redeemable. The final grade would be the weighted average of the three exams. The grades may be scaled up or down. Students enrolled in different course codes may be subject to different scaling if applicable. Econ6014 may have additional /different questions in the exams.
Tutorial assessments

We encourage active student participation in this class. Students are required to prepare for the tutorial questions before attending the tutorials. Students will then be assigned into different groups in the tutorial and will discuss and present the tutorial questions to the class by group. The 10% tutorial assessment consists of 2 small assignments to be handed in, each worth 2%. These assignments give students opportunities to receive written feedbacks in addition to exams. The remainder 6% will be assessed by participation and presentation in the tutorials.

Feedback

Staff Feedback

• Weekly lectures: Lecture slides will be posted on Wattle prior to each lecture. Students should read the relevant chapter in the textbook prior to attending the lecture. Participation and discussions during the lectures are encouraged.

• Weekly tutorials: Students should work on the tutorial questions prior to attending the tutorials. Students will then discuss and present the analysis during tutorials by groups. Note that you should expect to see some questions which are not the same to the tutorial questions in the exams. Simply trying to memorise tutorial questions and answers would not give you high grade for this course. Thinking about how to answer the tutorial questions by yourself first is a good way to prepare for the exam. Brief tutorial answers will be provided after each week for your own study. To give you feedback on your progress, selected questions will be assigned for internal assessments. The due dates are TBA in class.

• Office hours: The lecturer and tutor(s) hold regular office hours. The office hours and locations will be published on Wattle. Office hours are designed to assist your own study. Students should attempt the problems before coming for consultation. Please keep up with the weekly progress. Office hours may get crowded towards exam period and time may have to be rationed.

• Mid semester exams: After the mid semester exam, we will go through the answers in tutorials and a brief answer guide will also be provided.

Due to the size of the class, students are encouraged to actively seek feedback in the office hours.
**Student Feedback**

ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to:

http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

**Policies**

ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at:

http://policies.anu.edu.au/

Students are expected to have read the Code of Practice for Student Academic Integrity before the commencement of their course.

Other key policies include:

- Academic Progress
- Assessment of Student Learning
- Assessment Review and Appeals
- Course Assessment: Consultation and Finalisation
- Student Feedback on Teaching and Learning
- Insert College policies on extensions, late submissions, etc as appropriate
COURSE SCHEDULE

Tentative only, detailed progress log will be noted on Wattle. Subjects may not fit exactly within each week’s lecture time. Lecture slides will be prepared according to topics. Some material overlaps with Econ1101 material. Depending on how comfortable the class feel with the material, we will adjust the pace of the class.

| Week 1 | The Fundamental of Managerial Economics (Ch. 1)  
Market Forces: Demand and Supply (Ch. 2) |
|--------|--------------------------------------------------------------------------------------------------|
| Week 2 | Quantitative Demand Analysis (Ch. 3)  
The Theory of Individual Behaviour (Ch. 4) |
| Week 3 | Cost Structure and the Organization of the Firm (Ch. 5, Ch 6) |
| Week 4 | The Nature of Industry (Ch. 7) |
| Week 5 | Managing in Monopolistic and Monopolistically Competitive Markets (Ch. 8) |
| Week 6 | Game theory |
| Week 7 | Tentative mid term exam |
| Week 8 | Managing in Oligopoly Markets (Ch. 9, 10) |
| Week 9 | Managing in Oligopoly Markets (Ch. 9, 10)  
Pricing Strategies for Firms with Market Power (Ch. 11) |
| Week 10 | Pricing Strategies for Firms with Market Power (Ch. 11)  
The Economics of Information (Ch. 12) |
| Week 11 | The Economics of Information (Ch. 12)  
Advanced Topics in Business Strategy (Ch. 13) |
| Week 12 | Advanced Topics in Business Strategy (Ch. 13) |
| Week 13 | Summary and Revision |
Tutorial signup

Enrolment in tutorials will be completed online using the CBE Electronic Teaching Assistant (ETA). The ETA open time will be announced in the first lecture. Each tutorial has limited capacity, please enrol early if you have strong preferences for the tutorial time. To enrol, follow these instructions:

1. Go to http://eta.fec.anu.edu.au
2. You will see the Student Login page. To log into the system, enter your University ID (your student number) and password (your ISIS password) in the appropriate fields and hit the Login button.
3. Read any news items or announcements.
4. Select "Sign Up!" from the left-hand navigation bar.
5. Select your courses from the list. To select multiple courses, hold down the control key. On PCs, this is the Ctrl key; on Macs, it is the ⌘ key. Hold this key down while selecting courses with the mouse. Once courses are selected, hit the SUBMIT button.
6. A confirmation of class enrolments will be displayed. In addition, an email confirmation of class enrolments will be sent to your student account.
7. For security purposes, please ensure that you click the LOGOUT link on the confirmation page, or close the browser window when you have finished your selections.
8. If you experience any difficulties, please contact the course administrator (see page 1 for contact details).

Workloads

Students taking this course are expected to commit at least 9 hours a week to completing the work.

This will include:

- Lectures: 2 hours
- Tutorials: 1 hour
- Private study: 6 hours
Students enrolled in Econ6014 stream should expect to spend additional two hour per week for postgraduate assignment/consultation.

Prescribed Texts


FAQs

Q: Can I use previous editions of the textbook?
A: Each edition of the textbook is revised. The main context may be the same, and it is largely fine to use a previous edition textbook. However, you should check your edition against the new edition (desk copies are available in the library) for any major changes.

Q: How can I study for this course?
A: Attend the lectures and tutorials. Work through the tutorial questions before the tutorial. You should try to understand the materials instead of trying to memorise them.