

COURSE OUTLINE
BSP1703 Managerial Economics
AY 2021/22 Semester I Syllabus



Section 1	Tuesday	12-2pm
Section 2	Wednesday	12-2pm
Section 3	Wednesday	2-4pm

Instructor	Office	Email	Office Hours
Dr. Justin Leung	Biz 1, 6-50	bizjhl@nus.edu.sg	By appointments*

**Extended consultation hours will be set up and announced prior to the final exam. In the meantime, all teaching staff will be available for discussions before and after lectures and tutorials so please feel free to approach the lecturer and tutors. You may also email all teaching staff at any time for further questions and office hour requests.*

COURSE OVERVIEW

Managerial economics is the science of directing scarce resources in the management of a business or other organizations. This course will introduce you to fundamental principles of microeconomics most relevant to managers. It focuses on analysing the functioning of markets, the economic behaviour of firms and other economic agents, as well as their economic or social implications. It integrates global business issues and practice and provides students with knowledge about how to allocate scarce resources and develop competitive strategies. It will lay a foundation for your further studies in management, accounting, finance and marketing.

The goal of this course is to develop students' capacity to analyse economic environments, recognize the benefits and costs associated with business activities, as well as the constraints firms face in varying economic scenarios, in order to make the optimal choice to fulfil managerial objectives.

KEY LEARNING OUTCOMES

On successful completion of the module, students should be able to:

- Explain the function of market mechanisms, the interaction among economic agents and analysed quantitatively how market price and quantity are determined.
- Describe how a consumer with limited income decides which goods and services to buy.
- Quantify risk and compare the riskiness of alternative choices.
- Explain how cost is defined and measured, and distinguish between the concept of cost used by economists and by accountants.
- Explain different market structures, and quantify how firms in all markets, competitive or otherwise, choose the profit-maximizing output in the short run and long run.
- Measure and explain quantitatively the welfare effects of a government policy.
- Use more complicated pricing strategies and convert them into additional profits for firms.
- Apply game theory to understand how markets evolve and operate, and how managers should think about the strategic decisions they continually face.

ASSESSMENT

1. Problem Sets: 20%
2. Case Presentations: 10%
3. Attendance/Participation in Tutorials: 10%
4. Final Exam: 60%

Assessments 1 and 2 above are based on group-work. Students will form their own team, the details of which are to be announced in the first tutorial. This means that all members in a group will receive equal assessment for their aggregate work. All the group members should fully participate in the learning activities and contribute to the team's performance in good faith. More details will be provided in the class.

TEACHING/LEARNING VEHICLES

1. Lecture Notes prepared by the instructors

The lecture slides will be available at LumiNUS before each class meeting. Students are expected to visit the site regularly, download, and preview the lecture slides and the relevant textbook chapters before coming to class.

2. Textbooks

- Main:
Microeconomics (Global Edition), 8th ed., Robert S. Pindyck & Daniel L. Rubinfeld, Pearson/Prentice Hall, 2015
- Supplementary:
Managerial Economics, 5th ed., Ivan Png, Taylor & Francis, 2015.

3. Problem Sets

There will be four problem sets assigned. These problems are designed to check your progress as well as extend and reinforce concepts covered in class. Students are to tackle the problems as a team. Each team is required to prepare a typed or clearly handwritten answer. The softcopy of the answer is to be uploaded to LumiNUS by the assignment's due date.

4. Case Studies

There will be four cases assigned. The case materials designed by the lecturer will be made available through LumiNUS as well. Each team will be assigned a case and do a 15-minute presentation in tutorial.

5. Tutorials

Tutorials are about problem set discussions, case presentations, math review, and general Q&A. Details on tutorial activities will be briefed by tutors during the first tutorial session.

6. Final Exam

The final exam covers all the lecture materials throughout the course. **Note that no make-up exam is available for a missed exam.**

ACADEMIC HONESTY & PLAGIARISM

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely

your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism: <http://emodule.nus.edu.sg/ac/>

TENTATIVE SCHEDULE

Week	Lecture	Textbook Chapters	Tutorial Activities
Week 1	Course Overview and Introduction	Ch1	No Tutorials
Week 2	Demand and Supply Elasticity	Ch2	No Tutorials
Week 3	Consumer Theory	Ch3&4	Group Formation
Week 4	Uncertainty and Behavioural Economics	Ch5	Math Review
Week 5	Cost, Profit Maximization and Competitive Supply	Ch7&8	Problem Set I
Week 6	Analysis of Competitive Markets	Ch9	Case 1 Presentation
Recess Week			
Week 7	Market Power and Uniform Pricing Monopoly	Ch10	Problem Set II
Week 8	Sophisticated Pricing with Market Power	Ch11	Case 2 Presentation
Week 9	Monopolistic Competition and Oligopoly	Ch12	Problem Set III
Week 10	Game Theory: Static Games	Ch13	Case 3 Presentation
Week 11	Game Theory: Dynamic Games	Ch13	Problem Set IV

Week 12	Asymmetric Information	Ch17	Case 4 Presentation
Week 13	Digital Assessment Briefing and Course Summary		Final Review
Reading Week			