

BSP1703 MANAGERIAL ECONOMICS

INSTRUCTOR:

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COURSE DESCRIPTION:

Managerial economics is the study of how to allocate finite resources when running a business or an organization. Essentially, this course introduces the essential ideas of microeconomics by examining the way various markets work and how managers in competitive organizations make decisions. Moreover, this course examines the economic and social repercussions of market failure and assesses the role of businesses and institutions to restore market efficacy. Students will evaluate strategies applied by competitive firms and gain insights into the way firms sustain competitive advantage. In the process of distilling economic concepts, students will develop critical thinking skills and apply economic ideas to real-life situations. Nonetheless, this module will help students appreciate economic ideas that underpin business models, and the topics covered lay the foundation for students to pursue more subjects, such as management, accounting, finance, and marketing.

KEY LEARNING OUTCOMES:

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

- Explain the function of market mechanisms, the interaction among economic agents and evaluate how market price and quantity are determined.
- Describe how a consumer with limited income decides which goods and services to buy.
- 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.

GRADING:

Grading Components	Weightage
Assignments	30%
Tutorial Participation	10%
Final Exam	60%

- Assignments will be administered via Canvas. Please refer to Assignment Submission Policy.
- Final Exam covers all materials throughout the course. It will be held on-campus and administered via Exemplify. **Note that there is no make-up Final Exam.**

LEARNING TOOLS:

1. Lecture slides

The lecture slides will be available on Canvas before each lecture. Students are expected to visit the site regularly and download and preview the lecture slides.

2. Textbook

Pindyck, R. S., and Rubinfeld, D. L. (2018). Microeconomics, 9th ed. Prentice Hall.

3. Tutorials

Tutorials involve problem set discussions and general Q&A. Details on tutorial activities will be briefed by relevant instructors during the first tutorial session.

TENTATIVE SCHEDULE:

Week	Lecture	Textbook Chapter	Remarks
Week 1	Introduction and Math Review	1	No Tutorials
Week 2	Demand and Supply, Elasticity	2	No Tutorials
Week 3	Consumer Theory	3&4	Tutorials start
Week 4	Uncertainty & Behavioral Economics	5	
Week 5	Costs & Perfect Competition	7&8	
Week 6	Holiday: Chinese New Year		No lecture + No tutorial *Assignment 1 due
Recess Week			
Week 7	Economic Efficiency	9	
Week 8	Market Power and Monopoly	10	
Week 9	Pricing with Market Power	11	
Week 10	Monopolistic Competition and Oligopoly	12	
Week 11	Game Theory 1	13	
Week 12	Game Theory 2	13	*Assignment 2 due
Week 13	Review		

ACADEMIC HONESTY & PLAGIARISM:

Academic integrity and honesty are 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 doubt, you should consult your instructor.

Additional guidance is available at:

- <https://www.nus.edu.sg/registrar/administrative-policies-procedures/acceptance-record>
- <https://studentconduct.nus.edu.sg/wp-content/uploads/NUS-Code-of-Student-Conduct.pdf>