

DePaul University
Kellstadt Graduate School of Business

ECO 555: Managerial Economics
Spring 2022

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Important: This is a 'live' document. As the term progresses, we may need to adjust some parts of the syllabus (e.g., due dates, descriptions, or instructions for assignments) to keep the course running smoothly and in a way that is manageable for all. The long tail of the pandemic continues to send us into somewhat uncharted territory, but we will work to have an excellent experience together. I am committed to creating a quality learning environment and challenging you to think in new ways.

General Objective

Learn the economic way of thinking and be able to apply economic frameworks to decision-making in the business world.

Course Description

This class introduces fundamental economic tools and models for decision-making in managerial, entrepreneurial, corporate, and other business environments. The economic approach provides a solid foundation for business decisions because it relies on rigorous principles and careful evaluation of costs and benefits associated with alternative courses of action. We will use a two-pronged methodology. First, we introduce the economic way of thinking, along with the major frameworks necessary to understand the economic environment and make various types of business and policy decisions. Second, we discuss many examples and short case studies to illustrate how the frameworks apply to real world scenarios. Ultimately, the integration of analytical tools and applications will help you develop the ability to utilize these tools on your own and sharpen your intuition and decision-making skills in the business world.

Prerequisites

No formal prerequisites. We will use a little math and lots of graphs, so you need to be familiar with the basics of these tools.

Course Format

We will conduct this course in the *Online Hybrid* modality:

1. I will post my lectures in advance on D2L.
2. Every week we will have a *required* Zoom session on Mondays from 6:30 to 8 p.m. During our sessions we will review parts of the lectures, have group discussions, and cover new applications in an interactive way.

I will post my lectures every Monday (at the latest). You can work through each week's lecture at your own pace but keep in mind that we may reference lecture materials during the Zoom sessions and that there will be weekly deadlines for discussion posts and assignments.

Please make sure to have the necessary technical resources to be able to access course materials and complete assignments. If you do not have access to the following resources, please let me know immediately so I can make accommodations for you:

- A computer that connects to the internet (web cam strongly recommended)
- A working email account that you check regularly (updated in Campusconnect). All class-related communication comes though DePaul email, so make sure to check this frequently
- Access to Microsoft Office or similar software
- Ability to playback video files

Camera Use

This a graduate class that will greatly benefit from interaction and exchange of insights. It will be much easier for us to feel connected as a class and build a sense of community if we can see and hear each other during our sessions. While I don't formally require students to always be on camera, I strongly encourage you to turn on your camera during class discussions (including breakout rooms). If you have a valid reason to not be on camera (e.g., bandwidth limitations or equipment problems), let me know. Also, please add an image to your Zoom profile if you must have your camera off. That way we will have a visual representation of you instead of just a tile with your name.

Office Hours

I will conduct office hours in two ways:

1. By appointment at a mutually convenient date and time. Please email me to make an appointment. I am responsive to email and will do my best to reply on the same day.
2. During our Zoom meetings we will open with a Q&A session.

Our Zoom contact hours will also provide us with opportunities to chat about current economic and business news and research relevant to these areas.

Course Materials

1. There is no required textbook for this class. I will base my lectures on various sources (books, articles, research papers). If you want to purchase a book I recommend *Managerial Economics and Strategy*, by Jeffrey Perloff and James Brander, either [Second](#) or [First](#) edition. You can find relatively inexpensive copies of either of these editions at Amazon.com or other online bookstores. I suggest you do not pay an arm and a leg for the most recent edition!
2. I will post lecture slides and video lectures on D2L. I will make the slides available to you as separate files in addition to the video lectures.
3. I will also post cases and required and supplemental readings on D2L.

Grading

I will determine your grade using the following components and weights:

Case Reports (group)	30%
Participation during synchronous sessions (individual)	10%
Discussion Boards (individual)	20%
Midterm Exam (individual)	20%
Final Exam (individual grade)	20%

The grading scale is:

A	93% and above	C	73-76%
A-	90-92%	C-	70-72%
B+	87-89%	D+	67-69%
B	83-86%	D	60-66%
B-	80-82%	F	59% and below
C+	77-79%		

We will grade and return your assignments within one week or less of their due dates. If you require any clarification on any of your grades, please contact us at most ten days after receiving your graded assignment.

Case Reports (30%)

Case reports will be due at 6 p.m. central time on the specified due dates.

There are four required case reports and one optional one. You will work in groups of three to prepare a report on each case. Working in small groups is realistic to the state of work in the real world and will also allow you to learn more from the cases because each member may glean different insights and find different connections between the course content and the case.

Group formation: There is a class roster available on D2L under Classlist. If you know someone in the class or would like to work with someone in the class, please reach out to that person using the D2L Classlist feature. I will set up a group sign-up on D2L. The first group case is due on April 11.

Reports will be based on questions I post on D2L. Reports, in PDF format, are due in the D2L Submissions Box on the date noted in the course outline below.

You can use the optional fifth case to replace a missed report or a low report grade, and you may work on the report alone if your partners do not want to do it.

Case reports will be graded on a 10-point scale based on content, organization, and writing:

Content

- Analysis applies concepts and frameworks from class to the case
- Addresses questions thoughtfully and analytically
- Any points that are made are backed up by solid theory or evidence
- Analysis does not rely on unsubstantiated claims
- Analysis uses positive economic analysis (not normative or emotional)
- Answers do not re-teach material from class

- Analysis uses economic concepts and terminology correctly
- Report does not quote extensively from the case or other sources

Organization and Writing

- Report is logically organized and easy to follow
- Report uses primarily active voice
- Report does not use flowery or convoluted language
- Report uses accurate spelling, punctuation, and grammar
- Report properly cites and attributes sources outside of the case itself

Synchronous Zoom Sessions (10%)

Preparation and participation are vital in this class. We will 'crowdsource' a good deal of knowledge and insights during our Zoom sessions, where we will discuss cases, class material, and other economics, business, and decision-making topics. I expect you to actively participate and contribute to these discussions (you will have ample opportunity to do so). Frequent absences will likely result in a reduced participation grade, so make it a point to be there for our sessions.

D2L Discussion Boards (20%)

There will be weekly online discussion topics in the D2L boards. I will post questions that are either based on the lectures and video content or on specific assigned readings. At a minimum, you are required to make one post every week; either a thread that you start, or a substantial response to a thread someone else started. You may exceed this minimum requirement and post as many times as you wish. Discussion boards will close on Mondays at noon.

Discussion Post Standards and Etiquette

- Posts demonstrate knowledge of the class concepts and are linked to evidence and/or course material.
- Timely -adhere to the time window set aside for each discussion, not posted at the last minute. Timely posting leads to productive discussions, in that it allows class members to respond to each other's comments. Posts will be marked down if they are consistently entered during the last hours the board is open.
- If your post is related to an existing thread, you must reply to the existing thread, not create a new thread.
- Respectful, even when there is disagreement.
- Stimulate thinking. Do not be afraid to challenge existing comments.
- Encourage others to provide evidence and/or refer to course concepts to support their arguments.

- g. Move the class understanding forward.
- h. Do not ramble.

Posts that simply state “I agree” or “I was going to say the same thing” or repackage a previous comment are not actually discussion posts and will not be credited as such.

Please do not write in all CAPS. If you want to emphasize a word or phrase, please write it in bold, italics, underline it, or put an asterisk before and after the word or phrase.

I will monitor the discussion boards and participate when I see fit. I will keep track of the posting requirements and the quality of your comments.

Midterm and Final Exams (20% each)

The midterm and final exams are written take home exams. You will have one week to work on the exams. Though not comprehensive, the final exam may include questions that build upon material from the first half of the course.

Course Organization:

The learning unit in this course is the week. Each quarter has 10 instructional weeks. To avoid bottlenecks of due dates with respect to your other classes, we will follow a weekly schedule that begins on Monday (i.e., I will post new lecture videos and discussion questions at the latest on Mondays).

Week	Start Date /cases, exams
1	March 28
2	April 4
3	April 11 Case 1 due at 6 p.m.
4	April 18
5	April 25 Case 2 due at 6 p.m.
6	May 2 Midterm due at 6 p.m.
7	May 9 Case 3 due at 6 p.m.
8	May 16 Case 4 due at 6 p.m.
9	May 23
10	May 30 Optional Case due at 11:59 p.m.
11	June 6 Final due at 11:59 pm

Academic Integrity

All work completed for this course must adhere to the University Academic Integrity Policy which you can review at <http://academicintegrity.depaul.edu>.

I may use plagiarism detection technology for all written work submitted for this class to ensure the work is the student's own creation and is not in violation of DePaul University's Academic Integrity Policy. Submission of work for this course constitutes (i) a pledge that the work is the student's own original work and (ii) consent to have the work submitted to verify that fact.

You are welcome to use outside sources for exams, discussion posts, and case reports. If you use any materials beyond the text and lecture videos, you must cite them properly. Proper citation includes clear reference to the source and using quotation marks if you paraphrase.

Timetable, Topics and Due Dates

We will follow the below schedule to the extent possible. I will announce any changes during our sessions and via email or on the announcements page of D2L.

As I stated before, there is no required textbook. If you are using the Brander-Perloff book for consultation, I am listing the chapters from the second edition that contain the topics I will cover each week (there may be slight variations if you are using a different edition). Note that not all content in the cited chapters is relevant to our lectures.

Topics

Weeks 1-2 (3/28-4/4)

Introduction, Demand, Supply, Equilibrium, Elasticities

Brander-Perloff, Ch. 1, 2, and 3.

4/4 Mini case (no report): "Demand Estimation of LG Air Conditioners" (Bashir et.al.)

**4/4 Post in Introductions Topic due

Week 3-4 (1/11-4/18)

**4/11 Case report due at 6 p.m.: "Tourist Price Sensitivity and the Elasticity of Demand: The Case of BC Ferries" (Pritchard)

Production and Cost

Brander-Perloff Ch. 5-6

Week 5 (4/25)

**4/25 Case report due at 6 p.m.: "AI: The Ambiguous Labor Market Impact of Automating Prediction (Agrawal et. al.)

**4/25 Midterm Exam Posted

Balancing Costs and Benefits, and Profit Maximization by Competitive Firms

Brander-Perloff Ch. 7-8

Week 6 (5/2)

**5/2 Midterm Exam due at 6 p.m.

Surpluses and Direct Market Interventions

Brander-Perloff Ch. 8

Week 7 (5/9)

**5/9 Case report due at 6 p.m. (two articles in one report): "Employment Effects of Minimum Wages" (Neumark); and "The Economic Debate Over the Minimum Wage-Explained" (Matthews)

Externalities

Brander-Perloff Ch. 16.

Week 8 (5/16)

**5/16 Case report due at 6 p.m. (two articles in one report): "The Real Cost of Energy" (Gies), and "Externalities of Energy Generation" (WNA)

Topic: Monopoly and Monopoly Power

Brander-Perloff Ch. 9

Week 9 (5/23)

Pricing Strategies

Brander-Perloff Ch. 10

Week 10 (5/30)##

**5/30 Optional Case report due at 11:59 p.m.: "The Web's New Monopolists" (Fox)

Markets with Asymmetric Information

Brander-Perloff Ch. 15

**5/30 Final Exam Posted

Memorial Day – Reschedule Pending

Week 11 (6/6)

**6/6 Final Exam due at 11:59 p.m.