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| 1. Course code: | ECON 640 | | | | 1. Course title: | | | | | Managerial Economics | | | | | | |
| 1. College: College of Business Administration | | | | | | | | | | | | | | | | |
| 1. Department: Economics and Finance | | | | | | | | | | | | | | | | |
| 1. Program: MA in Finance | | | | | | | | | | | | | | | | |
| 1. Course credits: 3-credit hour | | | | | | | | | | | | | | | | |
| 1. Course NQF Level: 9 | | | | | | | | | | | | | | | | |
| 1. NQF Credits: 12 | | | | | | | | | | | | | | | | |
| 1. Prerequisite: NA | | | | | | | | | | | | | | | | |
| 1. Lectures Timing & Location: Online T (6:00PM- 9:00 PM) | | | | | | | | | | | | | | | | |
| 1. Course web page: Blackboard | | | | | | | | | | | | | | | | |
| 1. Course Instructor: Dr. Mohamed Sayed Abou Elseoud & E-mail:msayed@uob.edu.bh | | | | | | | | | | | | | | | | |
| 1. Office Hours and Location: TBA | | | | | | | | | | | | | | | | |
| 1. Course coordinator: . Mohamed Sayed Abou Elseoud | | | | | | | | | | | | | | | | |
| 1. Academic year: 2020-2021 | | | | | | | | | | | | | | | | |
| 1. Semester: | |  | **First** | | | | X | | | **Second** | |  | | **Summer** | | |
| 1. Textbook(s):  * The open university of Hong kong, *Principles of Managerial Economics*, <https://www.saylor.org/books/> * William F. Samuelson and Stephen G. Marks *, Managerial Economics,* 7th edition, * Dominick Salvatore, “*Managerial Economics in Global Economy*”, 3rd edition, McGraw-Hill, Inc. * Thomas Naylor, John Vernon and Kenneth Wertz, “*Managerial Economics: Corporate Economics and Strategy*”, McGraw-Hill Book Company. * Mark Hirschey,“*Fundamentals of Managerial Economics*”, Thomson South-Western. * George A. Petrochilos,“*Managerial Economics A European Text: Theories, Policies and Problems*”, Palgrave Macmillan. * Ivan Png and Dale Lehman, “*Managerial Economics*”, Blackwell Publishing, 3rd Edition. * Paul G. Keat and Philip K.Y. Young “*Managerial Economics: Economic Tools for Today’s Decision Makers*”, 6th edition, Pearson. * Ken Randall, “*Managerial Economics*”, Heinemann Educational Books. * Robert F. Brooker, “*Managerial Economics in A Global Economy*”, 2nd edition, McGraw-Hill Book Company | | | | | | | | | | | | | | | | |
| 1. References from the Library (<http://www.ac-knowledge.net/uobv3/>): | | | | | | | | | | | | | | | | |
| 1. Other learning resources used (e.g. e-Learning, field visits, periodicals, software, etc.):   Textbooks are accompanied by a Companion Website, for example: ([www.comp.nus.edu.sg/~ipng/mecon.htm](http://www.comp.nus.edu.sg/~ipng/mecon.htm)) & (<http://www.prenhall.com/keat>) that contain an interactive study guide on-line and practice test questions. These problems and exercises provided as a supplement to the problems provided in the printed text. | | | | | | | | | | | | | | | | |
| 1. Course description (as per the published):   The application of economic theory and methodology to decision-making problems faced by private and public institutions. Topics include the firm and its goals; mathematics of supply and demand; demand and elasticity; demand and revenue analysis; estimation of demand; theory and estimation of production; theory and estimation of costs; pricing and output decision under different market conditions, pricing policies, linear programming, Long term Investment Decisions, case studies and managerial economics in action. | | | | | | | | | | | | | | | | |
| 1. Course Intended Learning Outcomes (CILOs): | | | | | | | | | | | | | | | | |
| CILOs | | | | *Mapping to PILOs* | | | | | | | | | | | | |
| Learning goals | | | | A. Knowledge | | | | B. Communication | | | C. Responsibility | | | | D. Research | |
| Learning objectives | | | | A1. Knowledge | | A2. Current issues | | B1. Writing communication | B2. Oral communication | | C1. Research ethics | | C2. Global impact | | D1. Critical analysis | D2. Research practice |
| 1. Recognize the main objective of the firm and strategies to achieve it. | | | | X | |  | |  | X | |  | |  | |  |  |
| 2. Apply relevant economic principles and methods in managerial decision making | | | | X | | X | | X |  | |  | |  | |  |  |
| 3. Apply optimization and quantitative techniques in the solution of problems related to decision making of managers | | | |  | | X | | X |  | |  | |  | | X | X |
| 4. Understand the market framework of demand and supply and its application in both the short run and the long run under different market scenarios. | | | | X | |  | | X | X | | X | | X | | X |  |
| 5. Estimate demand, production and cost functions and appreciate their importance in managerial decision making | | | |  | | X | |  |  | | X | |  | | X | X |
| 6. adopt appropriate pricing strategies and determine the profit maximizing levels of output under different market structures. | | | |  | | X | |  |  | | X | |  | | X | X |
| 7. Analyze different market structures and assess the impact of competitive strategies in imperfectly competitive markets, with applications to pricing policies. | | | | X | |  | | X |  | | X | |  | | X | X |
| 8. Utilize practical mathematical techniques designed to optimize max. /or min. objective function subject to number of constraints. | | | |  | | X | | X |  | | X | | X | |  | X |
| 9. Show self-reliance when working independently and cooperate in-group activities. | | | |  | | X | |  |  | | X | | X | | X | X |

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| 1. Course assessment: | | | | |
| *Assessment Type* | *Details/ Explanation of Assessment in relation to CILOs* | *Number* | *Weight* | *Date(s)* |
| Assignments & Case Studies | 1-2-3 |  | 20 % |  |
| Engagement Activities | 2-3-4 |  | 20 % |  |
| Research Projects & Presentations | 5-6-7-8-9 |  | 20% |  |
| Final Examination  (Respondus) | 5-6-7-8 |  | 40% | 7/6/2021 @ 5:00PM- 8:00P, |
| Total |  |  | 100% |  |

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| 1. Description of Topics Covered | |
| *Topic Title*  *(e.g. chapter/experiment title)* | *Description* |
| The Nature and Scope of Managerial Economics | The application of economic theory and the tools of decision science to examine how an organization can achieve its aims or objectives most efficiently |
| Optimization Techniques and New Management Tools | presenting optimization techniques to examine ways to express economic relationships. We examine the relationship between total, average, and marginal concepts, and measures, such as revenue, product, cost, or profit |
| Demand and Supply: Equilibrium and Comparative Analysis | Discuss the variables that influence both demand and supply. Use a graph to illustrate market equilibrium. Use demand and supply graphs to predict changes in prices and quantities. Explain the economic effect of government-imposed price ceilings (PC) and price floors (PF). The impact of PC and PF on consumer surplus and producer surplus. |
| Demand Elasticities and its Implications | Measure the consumer and producer responsiveness, by: (1) Defining and calculating the price elasticity of demand (PED), Cross-price elasticity of demand (CED), Income elasticity of demand (IED) and the Price elasticity of supply (PES).(2) Determining the factors affect each one of them, and (3) Understanding the relationship between the price elasticity of demand and Revenue. |
| Demand Estimation | Explain the meaning of demand estimation. Examine different methods of demand estimation. Explain the nature of empirical studies. Illustrate the principles in drawing graphs of empirical data. Explain the OLS regression model. Explain and interpret measures of goodness of fit. Explain different mathematical forms of the regression model. Describe forecasting methods. Explain the multiple regression model and its advantages compared to simple regression. Examine the implications of empirical studies in terms of economic theory. Enable students to perform empirical studies and test economic theories. Explain a problem-solving approach that enables students to use empirical studies as an aid to managerial decision-making. |
| Production Theory and Estimation | Distinguish between the economic short run and the economic long run. Understand the relationship between the marginal product of labor (MPL) and the average product of labor (APL). |
| Cost Theory and Estimation | Explain the difference between Explicit and implicit costs and economic and accounting profits. Illustrate the relationship between marginal cost (MC) and average total cost (AC). |
| Marketing & Advertising and Market Structure | Defined the organizational and other characteristics of a market. We focus on those characteristics which affect the nature of competition and pricing. Emphasis on the market share of the existing firms in an industry. |
| Oligopoly and Strategic Behavior | Study the actions taken by firm, which aim to influence the market environment in which they compete. strategic behavior involves primarily long-run actions, and decisions, such as production capacity, research and development (R&D), investment, location, advertising, product differentiation |
| Linear Programming | Determine the optimal combination of processes needed to produce the desired level and output at the lowest possible cost, subject to the labor, capital, and other constraints that the firm may face. |
| Long term Investment Decisions: How Government Influences Business | Study the relation between uncertainty and investment among firms, and analyzes the influence of government control on the investment-uncertainty relation. |

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| 1. Weekly Schedule | | | | | |
| *Week* | *Date* | *Topics covered* | *CILOs* | *Teaching Method* | *Assessment* |
| *1* | *9/2/2021* | **The Nature and Scope of Managerial Economics**  References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (1). PP 2-25** * Thomas Naylor, John Vernon and Kenneth Wertz, “Managerial Economics: Corporate Economics and Strategy”, McGraw-Hill Book Company. **Appendix (A), *Calculus and Optimization* PP 42-64**   **Mark Hirschey, “Fundamentals of Managerial Economics”, Thomson South-Western,** Chapter (3). *Statistical Analysis of Economic Relations,* PP 53-99 | *1-2* | Lecture, and discussion | Assignments & Case Studies |
| *2* | *16/2* | **Optimization Techniques and New Management Tools**  References:   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (2). PP 33-75** * Mark Hirschey, “Fundamentals of Managerial Economics”, Thomson South-Western, **Chapter (2). *Basic Economic Relations ,* PP 23-52** * George A. Petrochilos**, “**Managerial Economics A European Text: Theories, Policies and Problems”, Palgrave Macmillan, **Chapter (2). *The tools of Optimization*, PP.9-25** | *1-2-3* | Lecture, discussion and problem solving | Assignments & Case Studies |
| *3* | *23/2* | **Demand and Supply: Equilibrium and Comparative Analysis**  References:  Paul G. Keat and Philip Young, “Managerial Economics: Economic Tools for Today’s Decision Makers”, 6th edition, **Chapter(3),** **PP.45-69** | *3-4-5* | Lecture, discussion and problem solving | Engagement Activities |
| *4* | *2/3/2021* | **Demand Elasticities and its Implications**  References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (3). PP 78-116** * Thomas Naylor, John Vernon and Kenneth Wertz, “Managerial Economics: Corporate Economics and Strategy”, McGraw-Hill Book Company. **Chapter (2). PP 21-41** * Ivan Png and Dale Lehman, “Managerial Economics”, Blackwell Publishing, 3rd Edition, **Chapter (2) *Demand* PP. 23-51& Chapter (3), Elasticity, PP 53-82** | *3-4-5* | Lecture, discussion and problems solving | Engagement Activities |
| *5* | *9/3* | **Demand Estimation**  References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. 1 **Chapter (4). PP 124-170** * Mark Hirschey, “Fundamentals of Managerial Economics”, Thomson South-Western, **Chapter (5). *Demand Analysis and Estimation ,* PP 134-169** | *3-5-8* | Lecture, discussion and problems solving |  |
| *6* | *16/3* | **Production Theory and Estimation**  References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. 1996, **Chapter (6). PP 222-267** * Thomas Naylor, John Vernon and Kenneth Wertz, “Managerial Economics: Corporate Economics and Strategy”, McGraw-Hill Book Company. **Chapter (3), *Empirical Demand analysis and Econometrics,* PP 65-107** * Thomas Naylor, John Vernon and Kenneth Wertz, “Managerial Economics: Corporate Economics and Strategy”, McGraw-Hill Book Company. **Chapter (4), part one, *the production Function ,* PP 108-126** | *6-7-8-9* | Lecture, discussion and problems solving | Research Projects & Presentations |
| *7* | *23/3* | **Cost Theory and Estimation**  References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (7). PP 272-315** * Ivan Png and Dale Lehman, “Managerial Economics”, Blackwell Publishing, 3rd Edition, **Chapter (4). *Supply*, PP 83-116 & Chapter(7), *Costs*, PP.167-196** | *6-7-8-9* | Lecture, discussion and problems solving | Research Projects & Presentations |
| *8* | *30/3* | *Midterm Break* | | | |
| *9* | *13/4/2021* | **Marketing & Advertising and Market Structure**   1. **Marketing & Advertising**   References   * George A. Petrochilos**, “**Managerial Economics A European Text: Theories, Policies and Problems”, Palgrave Macmillan, **Chapter (9), PP.215-242**  1. **Market Structure**   References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (9). PP 364-405** * Ken Randall, “Managerial Economics”, Heinemann Educational Books. 20**Chapter (6) *Pricing Policies*,** **PP 59-68** * Mark Hirschey, “Fundamentals of Managerial Economics”, Thomson South-Western, **Chapter (10). *Perfect competition and Monopoly,* PP 362-402**   Ivan Png and Dale Lehman, “Managerial Economics”, Blackwell Publishing, 3rd Edition, **Chapter (8). *Monopoly*, PP 197-224** | *7-8-9* | Lecture, discussion and problems solving | Research Projects & Presentations  and Final exam |
| *10* | *20/4* | **Market Structure “Cont’d”** | *3-4-5* | Lecture, discussion and problems solving | Engagement Activities |
| *11* | *27/4* | **Oligopoly and Strategic Behavior**  References   * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (10). PP 407-446** * Ken Randall, “Managerial Economics”, Heinemann Educational Books. **Chapter (8). *Predicting* *other firms’ actions*, PP 59-68**   Ivan Png and Dale Lehman, “Managerial Economics”, Blackwell Publishing, 3rd Edition, **Chapter (11). *Strategic Thinking*, PP. 259-291Chapter (11). *Oligopoly*, PP 292-316** | *7-8-9* | Lecture, discussion and problems solving | Research Projects & Presentations  and Final exam |
| *12* | *4/5/2021* | **Linear Programming**  References   * George A. Petrochilos**, “**Managerial Economics A European Text: Theories, Policies and Problems”, Palgrave Macmillan, **Chapter (8).*Linear Programming*, PP.183-214** * Dominick Salvatore, “Managerial Economics in Global Economy”, 3rd edition, McGraw-Hill, Inc. **Chapter (8). PP 319-356** * Thomas Naylor, John Vernon and Kenneth Wertz, “Managerial Economics: Corporate Economics and Strategy”, McGraw-Hill Book Company. **Chapter (5), *Optimal Output Decisions and Linear Programming,* PP 146—177**   Mark Hirschey, “Fundamentals of Managerial Economics”, Thomson South-Western, **Chapter (9). *Linear programming,* PP 309-359** | *6-7-8* | Lecture, discussion and problems solving | Research Projects & Presentations  and Final exam |
| *13* | *11/5* | **Long term Investment Decisions: How Government Influences Business**  References   * Mark Hirschey, “Fundamentals of Managerial Economics”, Thomson South-Western, **Chapter (13). *Regulation of the Market Economy,* PP 502-533** * George A. Petrochilos**, “**Managerial Economics A European Text: Theories, Policies and Problems”, Palgrave Macmillan, **Chapter (14).*The Government Sector and Public Regulation*, PP.391-420** | *2-3-4* | Lecture, discussion | Engagement Activities |
| *14* | *18/5* | **Presentation by students** | 5-6-7-8-9 | Presentation & Discussion | Research Projects & Presentations |
| *15* | *25/5* | **Presentation by students** | 5-6-7-8-9 | Presentation & Discussion | Research Projects & Presentations |
| *16* | *1/6* | *Review* |  |  |  |