

# **Economics 170A: Managerial Economics**

## **Syllabus and Reading List**

### **Course Overview**

This course is the first half of the Managerial Economics sequence. It covers a number of topics including the theory of the firm, demand theory and estimation, production and cost theory, and the theory of markets, including perfect competition and monopoly.

### **Course Web Site**

The course website is available to all registered students on the UCSD WebCT server, at the URL: <http://webct.ucsd.edu>. All course information, including announcements, assignments, office hours, section times, and exam information, will be available there. Individual student exam grades will be posted after the midterm. Also a Discussion Forum is available on WebCT for all class-related questions -- e.g about lectures, homeworks, exams, etc. Please contribute any comments, questions and answers to the WebCT Discussion Forum.

### **Lectures and Class Room**

The course lectures during the Winter Quarter will be Tuesdays and Thursdays, from 9:30 - 10:50 a.m., in Center Hall 119. (NOTE THE CHANGE!) Additionally, sections will be held at times and places to be announced.

An important feature of the class will be the use of the *InterWrite PRS Class Response System*. Each student will be required to purchase an *InterWrite PRS RF Clicker* (available at the UCSD Bookstore) and use it during lectures to answer questions that will be projected from time to time, primarily to assess comprehension of the lecture material. To encourage attention during lecture and attendance at lecture, a small, but significant, part of students' grades will be based on their participation in using this class response system.

### **TA's, Sections, and Office Hours**

There are two Teaching Assistants (TAs) for the course: Mr. Min Seon Kim and Ms. Juanjuan Meng, and a reader/grader: Mr. Julian Kearns. The TAs will hold sections and office hours at times to be announced. The sections will be used to go over pre-requisite economics material, homework problems, and questions arising from the lectures.

Although homework will not be assigned to turn in (except, perhaps, as part of the Class Response System ("clickers")), approximately once a week a homework problem set will be posted on the course WebCT site. Answers for these questions will NOT be posted, but will be provided in the sections conducted by the TAs.

All instructors' office hours will be posted on the class WebCT website. Please take advantage of office hours and also use e-mail to contact any instructor at other times or if you need to make an appointment.

Please use WebCT for all course-related e-mail. E-mail sent to other addresses (e.g. official UCSD accounts) may not receive a timely response and you may be requested to repost your message to our WebCT mailboxes. You must be logged into WebCT to send e-mail to WebCT mailboxes.

## Exams and Grading

Your grade for this course will be based on a Mid-Term Exam (30%) to be given in class on **THURSDAY, February 8**, a Final Exam (60%) to be given on **TUESDAY, March 20** from 8:00 - 11:00 a.m., and Class Participation (via the PRS Student Response System - "clickers")(10%). The exams will consist of questions similar (but not identical) to the homework problems.

## Textbook and other Readings

The textbook for this course is Michael R. Baye, *Managerial Economics and Business Strategy*, Fifth Edition, McGraw-Hill/Irwin, 2006.

In addition to the regular publisher's edition of the textbook, a paperbound edition especially published for UCSD is available at the UCSD bookstore. These two editions are identical in terms of content. The paperbound edition is, however, considerably cheaper.

Various other readings may also be assigned from time to time. Where available in electronic form they will be made available through the course WebCT site (for copyright reasons).

## Course Outline and Reading Assignments

### 1. Introduction: Tools and Marginal Analysis (January 9 & 11)

#### Readings:

Baye, Chapter 1.

### 2. Market Forces (January 16, 18, & 23)

**Readings:**

Baye, Chapter 2.

**3. Quantitative Demand Analysis (January 25 & 30)**

**Readings:**

Baye, Chapter 3.

**4. Theory of Individual Behavior (February 1 & 6)**

**Readings:**

Baye, Chapter 4.

**THURSDAY, February 8<sup>th</sup>, MIDTERM EXAM, 9:30 - 10:50 P.M. (in class)**

**5a. Production: Technology (February 13 & 15)**

**Readings:**

Baye, Chapter 5, pages 156 - 176.

**5b. Production: Costs (February 20 & 22)**

**Readings:**

Baye, Chapter 5, pages 177 - 203.

**6. Organization of the Firm: Principal-Agent Problem (February 27 & March 1)**

**Readings:**

Baye, Chapter 6.

**7. Nature of Industry: Conduct and Performance (March 6 & 8)**

**Readings:**

Baye, Chapter 7.

**8. Markets: Competition, Monopoly, & Monopolistic Competition (March 13 & 15)**

**Readings:**

Baye, Chapter 8.

**TUESDAY, March 20<sup>th</sup>, FINAL EXAM, 8:00 - 11:00 A.M.**