

# **SYLLABUS FOR ECO 5315**

## **Microeconomic Theory and Business Decisions**

### **Austin-Waco EMBA**

#### **INSTRUCTOR:**

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#### **CLASS MATERIALS**

*Fundamentals of Managerial Economics*, 7th edition, Mark Hirschey, Thomson South-Western Publishing, 2003.

You will need access to a spreadsheet program (e.g., Excel).

#### **COURSE DESCRIPTION AND OBJECTIVES**

This course examines the fundamentals of managerial economics. Specifically the primary goals of this course are to enable you to:

- Recognize the relevance of economics to managerial decision-making and to apply economic principles to relate business issues and the marketplace.
- Understand the mechanisms of the economic environment within the broad social, political and economic contexts.
- Explore the nature of managerial economics and the implications for decision-making, research, and business policy.
- Analyze the firm and its operations from an economic perspective.
- Acquire a skill set of economic tools that will increase your human capital.

#### **ASSIGNMENTS**

In addition to reading, in class assignments will consist of problems from the Hirschey text and a short presentation of some sort. Problems will be solved during class time and in teams. It is expected that the presentations will generate discussion and debate which should, of course, be centered on economic reasoning and analysis. You may also work on problems outside of class, especially those that your team may not have been assigned. Presentations of answers to the problems will be done in teams. I will select a team(s) to present their findings to the class and then discussion should follow. These problems are not graded.

Case Studies will be assigned from the text. These are often more in-depth than the problems and require a number of skills be called on to complete them. These assignments will be worked on and completed in teams and will be the basis for your course grade. There will be approximately seven (7) case studies assigned (although this number depends on the exact number of chapters we cover) not including any practice case studies.

#### **GRADING**

Only Case Studies and Quizzes will be graded. Quizzes will be unannounced and administered towards the end of the class period. Your lowest Quiz score will be dropped and not used in determining the course grade. Similarly, your lowest Case Study score will be dropped and not used in determining your course grade. The problems assigned from the text and presented/discussed in class are not graded nor are they collected.

There are two components to your Course Grade: Quizzes and Case Studies. A letter grade will be assigned to each evaluation instrument (A, B, etc.). A grade of A will be equivalent to 4.0, B to 3.0, C to 2.0, etc. In rare instances a grade of 3.5 may be given.

Your Quiz Grade used in determining your Course Grade will be the simple arithmetic average of your quiz scores, with the lowest individual quiz score being dropped before computing your average. In the event that your average is a non-whole number, then your average will be rounded to the nearest whole number (e.g., a 3.5 average will be rounded to 4, while a 3.4 would be rounded to a 3). Quizzes count for a total of 20% of your Course Grade.

Case Studies will be conducted in teams (of no more than 5 persons and no less than 4 persons per team) and are subject to a similar grading scale as Quizzes, including your lowest Case Study score being dropped before computing your Case Study Average. Everyone on the team will receive the same grade for the Case Study. The Case Study will include both a written component (i.e., report) and a team presentation. You should always prepare as if your team will be called on to present. However, time constraints will likely not permit every team to present every case. Only one report per term needs to be turned in; however, it must have all team member names on it. The written part of the Case Study should be no more than 3 typed pages using 12 point font, 1" margins, and double-spaced, excluding any graphs, tables, or PowerPoint copies that may accompany your report. Time requirement for presentation will be discussed in class. Case Studies count for a total of 80% of your course grade.

Final course grades will be calculated as:

$$(.20) \times (\text{Quiz Average}) + (.80) \times (\text{Case Study Average}) = \text{Course Average}$$

If Course Average  $\geq 3.5$  then you have earned an A.

If  $2.5 \geq \text{Course Average} < 3.5$  then you have earned a B, and so on.

CLASS SCHEDULE (may be modified pending time constraints)

Class	Date	Location	
1	9/4	W	Introduction. Chapters 1 & 2. Practice CS.
2	9/11	A	Chapter 3. Schedule team conference times.
3	9/18	O	
4	9/25	W	CS1 due (Chapter 3: Estimating unit sales revenues in the restaurant industry)/presentations. Chapter 4 & 5.
5	10/2	A	CS2 due (Chapter 4: A spreadsheet analysis of product demand and supply conditions)/presentations. Chapter 6.
6	10/9	W	CS3 due (Chapter 5: Demand estimation for branded consumer products)/presentations. Chapter 6.
7	10/16	A	Chapter 6. Schedule team conference times.
8	10/23	O	
9	10/30	W	CS4 due (Chapter 6: Forecasting global performance for a mickey mouse organization)/presentations. Chapter 7.
10	11/6	A	Chapter 8.
11	11/13	W	CS5 due (Chapter 8: Estimating the costs of nursing care)/presentations. Chapter 10.
12	11/20	A	CS6 due (Chapter 10: The profitability effects of large firm size)/presentations.
13	12/4	W	Chapter 14 (pages 548-559, 565-566). Chapter 15.
14	12/11	A	CS7 due (Chapter 15: Investment project analysis at flightsafety international, inc.)/presentations.

**W = Waco**

**A = Austing**

**O = Online (800 Conference or Blackboard/discussion)**

**CS = Case Study (recall Quizzes are unannounced)**