MGT514E Principles of Managerial Economics

Fall 2013

Younghwan In

Introduction

Economics provides a useful way of thinking for managers. This business-oriented economics course stresses the application of microeconomic theory in managerial decision making. We will use a combination of tables, figures, and simple mathematics. Students are expected and encouraged to participate actively and interrupt to ask questions in classes.

Textbook (tentative)

Bernheim, B. D., and M. D. Whinston (2008): *Microeconomics.* New York: McGraw-Hill. (ISBN of the international student edition: 978-007-127755-6)

- Publisher's website (containing additional resources): http://highered.mcgraw-hill.com/sites/007290027x/student_view0/index.html

Topics (tentative)

0. Introduction (Ch. 1-3)

I. Consumption Decisions

1. Principles and preferences (Ch. 4)
2. Constraints, choices, and demand (Ch. 5)
3. From demand to welfare (Ch. 6)
4. Choices involving risk (Ch. 11)
5. Behavioral economics (Ch. 13.1-2)

II. Production Decisions

6. Technology and production (Ch. 7)

7. Cost (Ch. 8)
8. Profit maximization (Ch. 9)

III. Markets

9. Competitive equilibrium and efficiency (Ch. 14)
10. Market interventions (Ch. 15)
11. Monopoly (Ch. 17)
12. Pricing policies (Ch. 18)
13. Choices involving strategy (game theory) (Ch. 12, 13.5)
14. Oligopoly (Ch. 19)
15. Externalities and public goods (Ch. 20)

Schedule: 1:00pm-2:20pm Tuesdays and Thursdays

Assessment

- Assignments (20%)
- Midterm examination (40%)
- Final examination (40%)

Contact Information

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- Consultation hours: Please feel free to drop by my office during my scheduled consultation hours (10am-noon Wednesdays) or email cyin@business.kaist.ac.kr to make an appointment for other times.

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