**PMB 514: Managerial Microeconomics**

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3. Course Description and Outline

The course covers an intermediate level of managerial microeconomics and aims to provide both an intuitive understanding of microeconomic theory and a firm microeconomic foundation for the analysis of real-life economic phenomena, public policies, and business strategies.

More specifically, the course starts with the theory of consumer demand and analyses utility maximization given consumer preferences and resource constraints. Next, it deals with producer theory, which studies various concepts and characteristics of production functions and production costs. Then, the theories of demand and supply are brought together to analyze competitive markets and to evaluate welfare consequences of market interventions. Furthermore, various forms of market structure such as monopoly and oligopoly are analyzed and discussed especially for their strategic implications. Finally, factors causing market failures such as information asymmetry and externalities are discussed.

4. Course Materials

The main text for the course is Microeconomics (Besanko and Braeutigam, 5th ed., Wiley). For those who need an introductory textbook, Principles of Economics (Mankiw) is recommended.

5. Assignment

Students are asked to write a one-page brief memo on economic issues covered by newspapers. In addition, occasionally short cases are assigned to read and will be discussed in class.

6. Grades

The economic memo and class participation account for 15% each, midterm accounts for 30%, and the final exam for 40% of the final grade.

**< Tentative Schedule >**

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| Week 1 | Introduction | Ch. 1-2 |
| Week 2-3 | Consumer Theory | Ch. 3-5 |
| Week 4-5 | Firm Theory | Ch. 6-8 |
| Week 6-7 | Perfect Competition | Ch. 9-10 |
| | Midterm Exam | |
| Week 9-10 | Monopoly | Ch. 11-12 |
| Week 11-12 | Oligopoly | Ch. 13-14 |
| Week 13-14 | Monopolistic Competition | Ch. 13-14 |
| Week 15 | Asymmetric Information | Ch. 15 |
| | Final Exam | |