

THE UNIVERSITY OF
NEW SOUTH WALES



Australian School of Business
School of Economics

ECON3121
MANAGERIAL ECONOMICS

Course Outline
Semester 1, 2009

TABLE OF CONTENTS

<u>1</u>	<u>STAFF CONTACT DETAILS</u>	<u>1</u>
1.1	Communications with staff	1
<u>2</u>	<u>COURSE DETAILS</u>	<u>1</u>
2.1	Teaching Times and Locations	1
2.2	Units of Credit	1
2.3	Summary of Course	1
2.4	Aims and Relationship to Other Courses	1
2.5	Student Learning Outcomes	2
<u>3</u>	<u>LEARNING AND TEACHING ACTIVITIES</u>	<u>2</u>
3.1	Approach to Learning and Teaching in the Course	2
3.2	Learning Activities and Teaching Strategies	2
<u>4</u>	<u>ASSESSMENT</u>	<u>3</u>
4.1	Formal Requirements	3
4.2	Assessment Details	3
4.3	Assignment Assessment and Format (if required/desired)	4
4.4	Assignment Submission Procedure	4
4.5	Late Submission of Assignment	4
4.6	Final Exam Format	4
<u>5</u>	<u>ACADEMIC HONESTY AND PLAGIARISM</u>	<u>4</u>
<u>6</u>	<u>COURSE EVALUATION AND DEVELOPMENT</u>	<u>4</u>
<u>7</u>	<u>STUDENT RESPONSIBILITIES AND CONDUCT</u>	<u>4</u>
7.1	Workload	5
7.2	Special Consideration and Supplementary Examinations	5
<u>8</u>	<u>STUDENT RESOURCES AND SUPPORT</u>	<u>6</u>
<u>9</u>	<u>COURSE RESOURCES</u>	<u>6</u>
<u>10</u>	<u>LECTURE SCHEDULE</u>	<u>7</u>
<u>11</u>	<u>TUTORIAL SCHEDULE</u>	<u>7</u>
<u>12</u>	<u>ASSIGNMENTS</u>	<u>7</u>

1 STAFF CONTACT DETAILS

Lecturer-in-charge: Dr. Guillaume Roger
Room 3120, Quad Building
Phone No: 9385 3323
Email: g.roger@unsw.edu.au
Consultation Times – Monday 2-4pm or by appointment.

Tutors:
Spiro Premetis: spremetis@yahoo.com
Jonathan Lim: jon.lim83@gmail.com

1.1 Communications with staff

I strongly encourage all enquiries about the subject material to be made at lectures or to the tutors at the tutorials. If tutors are unable to answer your queries fully you should see your lecturer during consultation time. If that is not possible, appointments may be made at a mutually convenient time by emailing your lecturer.

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lecture: Wednesday, 2-4pm

Tutorials Start in Week 1. They are all run on Wednesday.

2.2 Units of Credit

The course is worth 6 units of credit. There is no parallel teaching in this course.

2.3 Summary of Course

The course is designed to equip prospective managers with some of the tools of economics for the purpose of decision-making. It is broad in scope and contains varying degrees of technical difficulty to satisfy a wide audience of students in economics, finance or management. We will consider decision-making problems in the market place, others pertaining to the scope of the firms and last some organisational aspects.

2.4 Aims and Relationship to Other Courses

This course is offered as part of the economics stream in the B.Com and B.Econ degrees. Two prerequisites for this course are ECON2101 and ECON2112 and the course builds on the knowledge students acquired in those courses. It aims at preparing prospective managers to make informed decisions inside and outside the

firm. It is also a springboard for more advanced courses in industrial organisation, organisation economics and the theory of incentives.

2.5 Student Learning Outcomes

On completion of the course, students should be able to:

1. Recognise and describe the breadth of economic problems they may confront as managers in the workplace
2. Demonstrate methods and techniques to solve standard pricing problems
3. Identify and appraise important trade-offs inside and outside the firm
4. Explain the central problem of incentives in organisations and evaluate strategies for firms to deal with this problem.

Graduate Attributes

Course Learning Outcomes	ASB Graduate Attributes
1-4	1. Critical thinking and problem solving
1-4	2. Communication
	3. Teamwork and leadership
1,3,4	4. Social, ethical and global perspectives
1.4	5. In-depth engagement with relevant disciplinary knowledge
1-4	6. Professional skills

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course and its Teaching and Learning Strategies are based on “Guidelines on Learning that Inform Teaching at UNSW. These guidelines may be viewed at: www.guidelinesonlearning.unsw.edu.au. Specifically, the lectures, tutorials and assessment have been designed to appropriately challenge students. A climate of inquiry is encouraged between students and teachers and among students (in and out of class). The lecturers and tutors aim to provide [meaningful and timely feedback to students to improve learning outcome](#).

3.2 Learning Activities and Teaching Strategies

All material covered in lectures, in tutorials and in assignments may be examinable.

Lectures

The purpose of Lectures is to provide a logical structure for the topics that make up the course; to emphasize the important concepts and methods of each topic, and to provide relevant examples to which the concepts and methods are applied.

Tutorials

Tutorials begin in Week 1 and are an integral part of the subject. Every other week, the tutorial will be devoted to answering the assignment questions. When there is no assignment, the tutorial will cover some material not taught in class, which may be required for future assignment questions.

Out-of-Class Study

While students may have preferred individual learning strategies, it is important to note that most learning will be achieved outside of class time. Lectures can only provide a structure to assist your study, and tutorial time is limited.

An “ideal” strategy (on which the provision of the course materials is based) might include:

1. Attendance at lectures.
2. Working on assignments. I cannot prevent you from copying but if you only copy you will likely fail the final exam.
3. Attending, and participating, in tutorials.

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

- achieve a composite mark of at least 50 out of 100; and
- make a satisfactory attempt at ALL assessment tasks (see below).

4.2 Assessment Details

Assessment Task	Weight	Learning Outcomes assessed	ASB Graduate Attributes assessed	Length	Due Date
Assignment 1	10%	1,2	1,5,6	TBA	Week 2
Assignment 2	10%	1,2	1,5,6	TBA	Week 4
Assignment 3	10%	1,3	1,5,6	TBA	Week 6
Assignment 4	10%	1,4	1,5,6	TBA	Week 8
Assignment 5	10%	1,4	1,5,6	TBA	Week 10
Final Exam	50%	1,2,3,4	1,2,5,6	2 hours	University Exam Period

4.3 Assignment Assessment and Format (if required/desired)

The assignment topics, format and marking criteria are set out in 12 below.

4.4 Assignment Submission Procedure

You **MUST** turn in your assignment to your **tutor**, not to your lecturer. You may do so by email or by hard copy on the due date.

4.5 Late Submission of Assignment

Late assignments are not accepted simply because they will be answered by the tutors in tutorial session.

4.6 Final Exam Format

As outlined in 3.2 above all material covered in the lectures and tutorial program is examinable. The final exam will take the form of problem sets.

5 ACADEMIC HONESTY AND PLAGIARISM

The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For UNSW's policies, penalties, and information to help you avoid plagiarism see: <http://www.lc.unsw.edu.au/plagiarism/index.html> as well as the guidelines in the online ELISE tutorial for all new UNSW students: <http://info.library.unsw.edu.au/skills/tutorials/InfoSkills/index.htm>.

6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's Course and Teaching Evaluation and Improvement (CATED) Process is one of the ways in which student evaluative feedback is gathered. The lecturer is introducing new assessments which he will evaluate at the end of the course, incorporating student feedback. You are strongly encouraged to take part in the feedback process.

7 STUDENT RESPONSIBILITIES AND CONDUCT

Students are expected to be familiar with and adhere to university policies in relation to class attendance and general conduct and behaviour, including maintaining a safe, respectful environment; and to understand their obligations in relation to workload, assessment and keeping informed.

Information and policies on these topics can be found in the 'A-Z Student Guide': <https://my.unsw.edu.au/student/atoz/ABC.html>. See, especially, information on 'Attendance and Absence', 'Academic Misconduct', 'Assessment Information',

‘Examinations’, ‘Special Consideration’, ‘Student Responsibilities’, ‘Workload’ and policies such as ‘Occupational Health and Safety’.

7.1 Workload

It is expected that you will spend at least **ten hours** per week studying this course. This time should be made up of reading, research, working on exercises and problems, and attending classes. In periods where you need to complete assignments or prepare for examinations, the workload may be greater.

Over-commitment has been a cause of failure for many students. You should take the required workload into account when planning how to balance study with employment and other activities.

7.2 Special Consideration and Supplementary Examinations

You must submit all assignments and attend all examinations scheduled for your course. You should seek assistance early if you suffer illness or misadventure which affects your course progress. For advice on UNSW policies and procedures for granting special consideration and supplementary exams, see:

‘UNSW Policy and Process for Special Consideration’:

<https://my.unsw.edu.au/student/atoz/SpecialConsideration.html>

Students should note the following

- Applications for special consideration (including supplementary examinations) must go through UNSW Central administration (within 3 working days of the assessment to which it refers) – applications will **not** be accepted by teaching staff;
- Applying for special consideration does not automatically mean that you will be granted additional assessment or that you will be awarded an amended result;
- If you are making an application for special consideration (through UNSW Central Administration) please notify your Lecturer in Charge;
- Please note that a register of applications for Special Consideration is maintained. History of previous applications for Special Consideration is taken into account when considering each case.

ASB Policy and Process for Special Consideration and Supplementary Exams

In the case of undergraduate students in the ASB, requests for special consideration are determined by a Faculty wide panel. If the Faculty panel grants a special consideration request, this may entitle the student to sit a supplementary examination. In such cases the following procedures will apply:

- Supplementary exams will be scheduled centrally and will be held approximately two weeks after the formal examination period. Actual date will be advised by mid-semester.

- Where a student is granted a supplementary examination as a result of a request for special consideration, the student's original exam (if completed) will not be marked and only the mark achieved in the supplementary examination will count towards the final grade.

The 'ASB Policy and Process for Special Consideration and Supplementary Exams in Undergraduate Courses' is available at:

<http://www.docs.fce.unsw.edu.au/fce/current/StudentSuppExamProcedure.pdf> .

Further information for undergraduate students is on the ASB website (see '[Policies and Guidelines for Current Students](#)').

8 STUDENT RESOURCES AND SUPPORT

The University and the ASB provide a wide range of support services for students, including:

- **ASB Education Development Unit (EDU)** (www.business.unsw.edu.au/edu)

Academic writing, study skills and maths support specifically for ASB students. Services include workshops, online and printed resources, and individual consultations. EDU Office: Room GO7, Ground Floor, ASB Building (opposite Student Centre); Ph: 9385 5584; Email: edu@unsw.edu.au

- **UNSW Learning Centre** (www.lc.unsw.edu.au)

Academic skills support services, including workshops and resources, for all UNSW students. See website for details.

- **Library training and search support services:**

<http://info.library.unsw.edu.au>

- **UNSW IT Service Desk:** Technical support for problems logging in to websites, downloading documents etc. Library, Level 2; Ph: 9385 1333.

Website: www.its.unsw.edu.au/support/support_home.html

- **UNSW Counselling Service** (<http://www.counselling.unsw.edu.au>)

Free, confidential service for problems of a personal or academic nature; and workshops on study issues such as 'Coping With Stress' and 'Procrastination'. Office: Level 2, Quadrangle East Wing; Ph: 9385 5418

- **Student Equity & Disabilities Unit** <http://www.studentequity.unsw.edu.au>)

Advice regarding equity and diversity issues, and support for students who have a disability or disadvantage that interferes with their learning. Office: Ground Floor, John Goodsell Building; Ph: 9385 4734

9 COURSE RESOURCES

The website for this course is on WebCT Vista.

The textbook(s) for this course are:

- "Introduction to Economic Analysis" by Preston McAfee. This is a FREE book that you can download from his website: www.introecon.com.

Students may also find the following textbook useful for some parts of the course.

- "Contract Theory" by Dewatripont and Bolton

- “The Theory of Industrial Organisation” by Jean Tirole
- “The strategist toolkit” by Preston McAfee
- “The Theory of Corporate Finance” by Jean Tirole

10 LECTURE SCHEDULE

Below is an approximate schedule, which may be amended at the lecturer's discretion depending on students' response to the material. This is **not** a binding commitment.

- Week 1 – 11 March: basic pricing problems: monopoly, perfect competition, Cournot, Bertrand
- Week 2 – 18 March: differentiation, free entry and sunk costs, endogenous sunk costs
- Week 3 – 25 March: some aspects of asymmetric information and pricing – the market for lemons, signaling, certification
- Week 4 – 1 April: more advanced monopoly pricing – simple two-part tariffs, pricing with complements.
- Week 5: – 8 April: reputation
- Week 6 and on: TBA

There will be NO course notes on the website

11 TUTORIAL SCHEDULE

- Week 1 – week beginning 9 March: Introduction and review of some basic aspects of game theory.
- Week 2 – TBA
- Week 3 – Assignment 1 due and answered in tutorial.
- Week 4 – TBA
- Week 5 Assignment 2 due and answered in tutorial

Thereafter: TBA

12 ASSIGNMENTS

Assignments will take the form of problem sets. Emphasis will be laid on methods and techniques, rather than just results. For example, a correct result without any derivation will be penalised.