

THE UNIVERSITY OF
NEW SOUTH WALES



Australian School of Business
School of Economics

ECON5110
MANAGERIAL ECONOMICS

Course Outline
Semester 2, 2009

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1 STAFF CONTACT DETAILS

Lecturer-in-charge: Dr. Benoit Julien

Room ASB 405

Phone No: 9385 3876

Email: benoit.julien@unsw.edu.au

Consultation Times – Wednesday 15:00-18:00 (or by appointment)

Tutor name: Patrick Lim: Patrick.Lim@qbe.com

1.1 Communications with staff

You should feel free to contact your lecturer(s) about any academic matter. However, I strongly encourage, for efficiency, all enquiries about the subject material be made at lectures or tutorials or during consultation time. Discussion of course subject material will not be entered into via lengthy emails.

Email correspondence on administrative matters (e.g. advising inability to attend tute) will be responded to within 48 hours, but not over weekends. Please send your e-mails only from your UNSW student e-mail account. Also, please put ECON5110 in the subject of all e-mails. Finally, note that the lecturer has no advance notice of the date and time of the exam [the subject of many emails].

2 COURSE DETAILS

2.1 Teaching Times and Locations

Lectures week 1-12: Tue 19:00 - 21:00 Law Theatre G23

Tutorials Start in Week 2 -13.

Tue 16:00 - 17:00 Law Theatre G23

Tue 17:00 - 18:00 Australian School Business 216

Tue 18:00 - 19:00 Law 389

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

This course emphasises logic and conceptual modelling – reinforced by real life examples – to highlight the pivotal link between economics and key business concerns such as costs, prices, markets, organisational architecture and government policies.

2.4 Aims and Relationship to Other Courses

Using tools from economics, students learn to weigh strategic costs and benefits of each business choice. Building on demand and cost concepts, students will learn how details of strategic interaction and market structure determine potential industry earnings and a firm's individual profitability. Students will then identify how firms can maintain their profitability through innovation, firm design, maintaining barriers to entry and product differentiation, as well as understanding how firms can benefit from globalisation and government tax and regulatory policies.

This is one of two disciplinary core courses in the MCom specialisation in Business Strategy, and hence relates centrally to all courses in that specialisation. It is also an option for most other MCom specialisations.

2.5 Student Learning Outcomes

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

1. Understand concepts of opportunity costs, diminishing returns, and marginal analysis,
2. Identify instances of these categories as they appear in actual decision problems,
3. Assess the competitive structure of a market, and determine the position of a firm within that structure,
4. Set up a decision problem with properly specified structure, objectives, constraints and strategic considerations,
5. Apply principles derived from microeconomic theory to find solutions to business and economic problems.

Graduate Attributes

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

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy in 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 and support the achievement of the desired learning outcomes. A climate of inquiry and dialogue 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

The examinable content of the course is defined by the references given in the Lecture Schedule, the content of Lectures, and the content of the Tutorial Program.

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 2 and are an integral part of the subject. Tutorial presentations, discussion questions, and problems will build on the material presented during the lectures.

Out-of-Class Study

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. Reading of the relevant chapter(s) of the text and any readings **before the lecture**. This will give you a general idea of the topic area.
2. Attendance at lectures. Here the context of the topic in the course and the important elements of the topic are identified. The relevance of the topic should be explained.
3. Attending tutorials and attempting the tutorial questions.

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	Weighting	Learning Outcomes assessed	ASB Graduate Attributes assessed	Length	Due Date
Tutorial Participation	5%	1,2	1, 2, 3	See 4.3 below	
Individual Assignment 1	20%	1-5	1, 2	TBA	TBA
Group Assignment 2	20%	1-5	1, 2, 3	TBA	TBA
Final Exam	55%	1,2,3,4	1,2,5,6	2 hours	University Exam Period
	100%				

4.3 Tutorial Participation

Marks Guide for Tutorial Participation

0	Below 80% of attendance as required by UNSW and ASB rules. Attendance at 9 of 12 tutorials will be deemed as meeting the requirement. Students must sign on by 20 minutes from start of tutorial to qualify as 'in attendance'. Signing on for another student will be treated as misconduct.
2	Has satisfied the attendance requirement but has not contributed to class discussion.
3-5	Has satisfied the attendance requirement and contributed to class discussion in relevant and constructive ways.

4.4 Tutorial discussion questions

To be distributed in the first lecture.

4.5 Assignment Assessment and Format

The assignment format and marking criteria will be available on the course website.

4.6 Assignment Submission Procedure

1. Students must submit 1 hard copy and 1 electronic copy of their assignment.
2. The electronic copy is to be submitted by attachment to the Lecturer in Charge on the due date. Use your student ID in the file name.
3. The hard copy is to be submitted to the Tutor in the tutorial class on the due date. Do not use plastic sheets or binders. Simply staple the pages together. Your name and ID should be on the cover page.

4.7 Late Submission of Assignment

No late assignments will be accepted as the answers will be discussed in tutorials.

4.8 Final Exam Format

As outlined in 3.2 above all material covered in the lectures and tutorial program is examinable.

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 (CATEI) Process is one of the ways in which student evaluative feedback is gathered. 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 Attendance

Your regular and punctual attendance at lectures and seminars is expected in this course. University regulations indicate that if students attend less than eighty per cent of scheduled classes they may be refused final assessment.

7.3 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://wwwdocs.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](#)').

7.4 General Conduct and Behaviour

You are expected to conduct yourself with consideration and respect for the needs of your fellow students and teaching staff. Conduct which unduly disrupts or interferes with a class, such as ringing or talking on mobile phones, is not acceptable and students may be asked to leave the class. More information on student conduct is available at: www.my.unsw.edu.au

7.5 Occupational Health and Safety

UNSW Policy requires each person to work safely and responsibly, in order to avoid personal injury and to protect the safety of others. For more information, see <https://my.unsw.edu.au/student/atoz/OccupationalHealth.html>.

7.6 Keeping Informed

You should take note of all announcements made in lectures, tutorials or on the course web site. From time to time, the University will send important announcements to your university e-mail address without providing you with a paper copy. You will be deemed to have received this information. It is also your responsibility to keep the University informed of all changes to your contact details.

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 will be on WebCT Vista (to be confirmed however).

The textbook(s) for this course are:

- Prescribed text: Boyes, William: *The New Managerial Economics*. Houghton Mifflin, 2006. (or any later Edition currently available at the UNSW bookshop).
- Recommended text: To be announced later (if any)
- Additional materials may be provided on WebCTVista from time to time.
- Recommended Internet sites: To be announced later (if any)

10 LECTURE SCHEDULE

There will be a set of lecture notes, with additional readings, on the Course website. The topics below are an initial suggestion and they may change depending on class size and composition.

Week 1 – Introduction, exchange, efficiency and markets

Textbook Chapter 1-2

Week 2 – Performance and Demand

Textbook Chapter 3-4

Week 3 – Costs and Profit Maximization

Textbook Chapter 5-6

Week 4 – Creating Barriers to Entry

Textbook Chapter 7

Week 5 – Pricing Strategies

Textbook Chapter 8

Week 6 – Pricing Strategies

Textbook Chapter 8

Week 7 – Technological Change and Innovation

Textbook Chapter 9

Week 8 – Compensation and Personnel

Textbook Chapter 11

Week 9 – Capital Management

Textbook Chapter 12

Week 10 – Strategic Behavior and Advertising

Textbook Chapter 13

Week 11 – Strategic Behavior and Pricing

Textbook Chapter 13

Weeks 12 – Globalisation and General Overview

Textbook Chapter 14

11 TUTORIAL SCHEDULE

Week 2 –Topic 1 (above in week 1, etc.)

Week 3 –Topic 2

Week 4 –Topic 3

Week 5 –Topic 4

Week 6 –Topic 5

Week 7 –Topic 6

Week 8 –Topic 7

Week 9 –Topic 8

Week 10 –Topic 9

Week 11 – Topic 10

Week 12 –Topic 11

Week 13 – Topic 12