

ECON 20B – Principles of Economics II (Microeconomics)

Lincoln University

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Text: Hirschey, Mark and James L. Pappas, FUNDAMENTALS OF MANAGERIAL ECONOMICS (Fifth edition), Fort Worth: The Dryden Press, Harcourt Brace College Publishers, 1996.

Week of

Introduction
Basic Concepts Chapters 1 and 2
Statistical Analysis of Relationships Chapter 3
Demand and Supply Chapters 4 and 5
Forecasting Chapter
Production Analysis Chapter 7
Perfect Competition and Monopoly chapter 10
Imperfect Competition Chapter 11
Pricing Practices Chapter 12
Government Regulation chapter 13
Risk Analysis Chapter 14
Capital Budgeting
Public Management Chapter 16
Non-market Economies
Recap
Review and Catch up
Final examination

This schedule may be changed to meet the needs of the students.

Objectives:

1. To learn the nature of managerial economics and the behavior of the firm.
2. To understand optimization techniques in the decision environment.
3. To analyze the sources and nature of demand, the measurement of demand and the forecasting of demand.
4. To present the theory and measure of production and cost.
5. To deal with the use of budgets for profit planning and control and to introduce break-even analysis.
6. To introduce the market structures and describe various methods of pricing.

7. To cover economic externalities, government regulation of industry, antitrust laws and their enforcement and the current trend of deregulation and privatization of public services.

Method of Evaluation:

Tests	40%
Attendance and Participation	40%
Final Examination	20%

The focus of this course is on the relevance and application of economics to managerial and public policy decision making. The lectures will include current business topics that are relevant.

This course is a study of how society and individuals make decisions that affect the production of goods as well as the consumption. The goal is to see how a private ownership market oriented economy answers the traditional economic questions of: How? Why? and For Whom?

An introduction to the course consists of a few preliminaries which will include terminology and concepts. Then the basics of supply and demand as well as elasticity, not only of demand but also of income and cross elasticities of products. Then costs are covered and methods of pricing and quantity are studied. Finally uncertainty and risk and other forecasting techniques are looked at. The market structures show the demand for inputs and supplies of outputs and finally antitrust laws are covered. These tools and knowledge are necessary to understand the microeconomic environment as it related to business decision making.

Supplements such as decision-making films, strategies and game playing are used as well as lecture and reports by students.

A book report on a recent management book e.g., "Who Moved My Cheese" or "The One Minute Manager" or "Fish" is required. The essay should be original and at least one page. This should not be a repeat of the course but should be what the student learned from the book.

WELCOME TO MANAGERIAL ECONOMICS. MAY THIS COURSE MAKE YOU A BETTER MANAGER.