

ECON 5110

Managerial Microeconomics

Semester: Fall 2020

Class time:

L2: 9:00am – 12:20pm

L3: 2:00pm – 5:20pm

Class dates: Oct 31, Nov 7, 14, 21, 28, Dec 5, 12

Lecture room: LSK 2003

Course homepage:

L2: <https://canvas.ust.hk/courses/33359/wiki>

L3: <https://canvas.ust.hk/courses/33363/wiki>

Instructor: Prof. S. F. Leung

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Please use email (instead of CANVAS) to reach me

Office: LSK 6029

Tel: 2358-7618

Office hours: open-door policy

Email is always a great way to reach me

TEXTBOOKS

Png: *Managerial Economics*, by Ivan Png, Pearson, Prentice Hall.

BDSS: *The Economics of Strategy*, 7th Edition, by David Besanko, David Dranove, Mark Shanley, and Scott Schaefer, Wiley.

OBJECTIVE

Managerial microeconomics is the science of allocating scarce resources in the management of a business or other organization. This course presents tools and concepts from managerial microeconomics that practicing managers can and do use. We will emphasize practical ideas, focus on application to business decision-making, integrate global business issues and practice, and provide conceptual rigor without mathematical complexity.

TEACHING APPROACH

This course is delivered through lectures and case discussions.

CLASSROOM ETIQUETTE

Students are expected to attend class regularly and on time, and to participate actively in class discussions. Common-sense classroom etiquette, such as turning off or silencing mobile phones during class time, is expected. Students should demonstrate respect for the instructor and fellow students during the class period. Please try to avoid side conversations when your classmates raise questions or give comments. Attendance, preparation, and participation are essential in this class, as in any class based on the case method. Active engagement means that you are listening carefully to the comments of other students and seeking opportunities to make comments that move the class discussion forward.

If you attend the class online, you should turn on your video/webcam and mute your mic (unless you are called to share insights or questions during class discussions). We will make arrangements so that online students will have opportunities to contribute to class discussions: you can use the “raise hand” function on Zoom and then our TA or I may call your name for sharing. Please be patient if there are technical/internet problems or if you are not called due to time constraints.

GRADING

There will be a final exam. No makeup exams will be given. The weights determining the course grade are as follows.

Class participation and contribution	15%
Individual homework assignments	10%
One group written case analysis	15%
Simulation games	10%
Final exam	50%

Class participation and contribution will be evaluated on (i) the effort and incentives to prepare and to participate in class discussion, and (ii) the evaluation of content:

- Relevance: Are your comments related to the case or the comments of others?
- Advancement: Does your comment move the class discussion forward?
- Fact-Based: Have you used specific data from the case, from readings, or from personal experience to support the assertions that you are making?
- Logical: Is your reasoning logical? Do you use economic concepts correctly?

For the group written case analysis, some groups will submit a written report on the Chow Tai Fook case, and the other groups will submit their report on the Tesla case, based on the case discussion questions. The report should be in PowerPoint format with no more than 20 slides. During the class on December 5, each group will make a 15 minute presentation.

For the simulation games, you will be given instructions to play some simulation games. You will submit a summary (one to two pages) of what you have learned from the games.

COURSE OUTLINE

The chapters below are those of Ivan Png’s *Managerial Economics*.

- Introduction (Chapter 1)
- Demand (Chapter 2)
- Elasticity (Chapter 3)
- Market Equilibrium (Chapter 5)
- Monopoly (Chapter 8)
- Pricing (Chapter 9)
- Strategic Thinking (Chapter 10)
- Oligopoly (Chapter 11)
- Asymmetric Information (Chapter 13)
- Incentives and Organization (Chapter 14)