

ECON 5110

Managerial Microeconomics

Semester: Fall 2022

Class time:

L2: 9:00am – 12:20pm

Class dates: Oct 29, Nov 5, 12, 19, 26, Dec 3, 10

Final Exam: 9:20am – 12:20pm, Dec 17

Lecture room: LSK 2003

Course homepage:

<https://canvas.ust.hk/courses/45912>

Instructor: Prof. S. F. Leung

Email: sfleung@ust.hk

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

Ivan Png (2022): *Managerial Economics*, 6th edition.

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.

INTENDED LEARNING OUTCOMES

Students are expected to:

- Understand individual economic behavior, competition, and market characteristics that are relevant to business and management.
- Apply demand and supply analysis in predicting market price and related dynamics in competitive markets.
- Analyze key trade-offs in pricing, and compare different pricing strategies according to industry or market conditions.
- Predict competitors' actions and reactions using basic game-theoretic models. In the context of oligopoly markets, analyze the strategic effects of various business decisions as well as the impact of asymmetric information.
- Be able to communicate microeconomic analysis in business decisions to multiple stakeholder groups.
- Work effectively within a team environment for solving both technical and nontechnical problems.

TEACHING APPROACH

This course is delivered primarily through lectures and case discussions.

Good cases are necessarily complex and ambiguous. In preparing for a case discussion, you may find sorting through the complexity and ambiguity to be frustrating. The problems presented in the case discussion may not have one correct answer. However, there will generally be a set of insights and solutions which are better than others. It is in working through the messy details to find these insights and solutions – both in your preparation and in-class discussions – that the concepts and principles introduced in the readings and lectures will come alive and be enriched for you. For a case discussion to be a valuable learning experience, it is essential that you come prepared to discuss the cases and readings assigned for that class.

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.

Students are expected to attend every class in person. If you need to attend a class online, you have to seek approval from us in advance. If you attend the class online, you should turn on your video/webcam and mute your mic (unless you are called to share your insight or question 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 we may call your name for sharing. Please be patient if there are technical/internet problems or if you are not called due to time limitation. If you miss a class in person or online, it will be counted as a class absence per MBA program policy.

GRADING

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

Class participation and contribution	15%
Three individual homework assignments	18%
Group project	10%
Game	7%
Final exam	50%

Class participation and contribution will be assessed on (i) the effort and incentive to prepare and participate in class and case discussions, and (ii) the evaluation of content:

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

HONOR CODE

1. For individual homework, work on your own and do not plagiarize.
2. For group project, work on your own and work within your group.
3. For the exam, work strictly on your own.
4. Use of **any** material related to this class from previous students is a violation of the honor code.
5. Do not distribute the lecture notes, cases, case analyses, and readings outside our class.

COURSE OUTLINE

The chapters below are those of Ivan Png's *Managerial Economics* (6th edition):

- Introduction (Chapter 1)
- Demand (Chapter 2)
- Elasticity (Chapter 3)
- Supply (Chapter 4)
- Market Equilibrium (Chapter 5)
- Monopoly (Chapter 7)
- Pricing (Chapter 8)
- Strategic Thinking (Chapter 9)
- Asymmetric Information (Chapter 11)