



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
ECON 413 Managerial Economics

Lecture Time and Location

3:30PM – 4:45 PM, D2-Room 1007

Contact Information

Location: Economics Department – 3rd Floor – Zone A – Office No. 1075

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Office Hours: Monday, Wednesday 10:00AM -11:00AM, 12:15PM-1:00PM and by appointment

Course Description

Managerial economics is a branch of economics that applies microeconomic analysis to business decision making. To effectively manage a company, the manager needs to have a thorough understanding of market mechanisms, consumer behavior, production decisions, costs, competition strategies and internal organization. These economic concepts will be gradually developed throughout the course, to show how they can be applied to managerial decisions. The analysis and principles that we learn in this course will serve as building blocks for the understanding of other subjects such as accounting, marketing, corporate finance, and human resource management.

Managerial economics covers tools of microeconomic analysis and optimization. This includes foci of demand, markets, elasticity, regression analysis and diagnostic statistics. In addition, estimating structural demand functions, forecasting structural demand equations, and qualitative forecasting is utilized in this field. Production, costs, and profitability analysis for both the short and long run and analysis of market structures are also covered in managerial economics. The various market structures: perfect competition, monopolistic competition, oligopoly, and monopoly are analyzed in lieu of market power, market domination and globalization. This includes: cartels, local and international dominating firms, and pricing practices (price discrimination, action reaction pricing policies, and non-profit pricing, capital budgeting and investment decisions, risk analysis, linear programming, government and business.

Course Learning Objectives (CLOs)

Upon successful completion of the course, students will be able to:

1. Identify and apply the main principles of effective managerial decision making.
2. Apply various elasticities of demand as a quantitative tool to forecast changes in revenues, prices, and/or units sold.
3. Discuss critically economic theories of consumer behavior.
4. Explain the output and pricing decisions of the firm under different competitive conditions.

5. Identify the Oligopolistic model that best describes the behavior of an Oligopolistic industry.

CLO Mapping to CBA Skill Based Competency Goals

	Analytical	Communication	Information Technology	Business Ethics
1	X	X	X	
2	X	X	X	
3	X	X		X
4	X	X		
5	X	X		X

Type of Emphases:

- **(I)ntroduce:** Students will be introduced to the skill and their grasp of it assessed in the course.
- **(A)pply:** The course will not cover the skill. Students should have a high-level grasp of the skill and are required to apply it in the course.
- **(R)einforce:** Students should have an introductory-level grasp of the skill and the course will improve their mastery to a higher level.

Course Material

Textbook (Optional): Managerial Economics and Organizational Architecture
Brickley, J. A., Smith, C. W., & Zimmerman, J. L. 7th Edition, McGraw Hill

Additional Material: Other material is available on Moodle or MS Teams.

E-Learning System: Moodle and MS Teams

Course Requirements and Policies

- **In-Class Tests:** If the university allows on-campus examinations, you will come to campus to write it. Otherwise, it will be an online real-time exam.
- **Term paper:** You will be assigned a firm for which you will examine demand, production, cost, market structure, pricing policies and analyze its organizational architecture.
- **Participation:** The quality of our classroom discussions in large part depends on you and your preparation for class. Participation should include, among other things, (1) presenting case facts, (2) defining the problem, (3) exploring different alternatives, (4) persuasive, thoughtful, integrated analysis supported by the data given in the case.
- **Class Preparation** It is very important that students are prepared for each class period. Students are expected to read the assigned materials before class.
- **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Student Guide, Chapter 3, Section 13). A copy of the student guide can be accessed online on:
http://www.ku.edu.kw/cs/groups/ku/documents/ku_content/kuw055940.pdf
- **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the Student Guide, Chapter 3, Section 2). A copy of the student guide can be accessed online on:

http://www.ku.edu.kw/cs/groups/ku/documents/ku_content/kuw055940.pdf

Please carefully note all sources and assistance when you turn in your work. Under no circumstances should you take credit for work that is not yours. You should neither receive nor give any unauthorized assistance on any deliverable. If you have any questions about what constitutes “unauthorized assistance” please email me before the deliverable is submitted.

- **Writing Style:** Students must refer to APA writing style for their assignments and report writing. Refer to the English Language Center for help.

Grading

The scores in this course will be the weighted average of the following items:

Weight	Description
5%	Participation
20%	Assignments
35%	Midterm exam
30%	Term paper
10%	Presentation
100%	TOTAL

Grade Distribution

Grade	Range
A	≥ 95
A-	≥ 90 and < 95
B+	≥ 87 and < 90
B	≥ 83 and < 87
B-	≥ 80 and < 83
C+	≥ 77 and < 80
C	≥ 73 and < 77
C-	≥ 70 and < 73
D+	≥ 65 and < 70
D	≥ 60 and < 65
F	< 60

Course Outline

Chapter	Topics
Chapters 1 & 2	Introduction
Chapter 4	Demand
Chapter 5	Production and Cost
Chapters 6	Market Structure
Chapters 7	Pricing with Market Power
Chapters 8	Economics of Strategy
Chapters 11	Organizational Architecture
Chapters 18	Corporate Governance
Chapters 19	Vertical Integration and Outsourcing

CBA Competency Goals

1. **Analytical Competency:** A CBA graduate will be able to use analytical skills to solve business problems and make a well-supported business decision.

Student Learning Objectives:

- 1.1. Use appropriate analytical techniques to solve a given business problem.
- 1.2. Critically evaluate multiple solutions to a business problem.
- 1.3. Make well-supported business decisions.

2. **Communication Competency:** A CBA graduate will be able to communicate effectively in a wide variety of business settings.

Student Learning Objectives:

- 2.1. Deliver clear, concise, and audience-centered presentations.
- 2.2. Write clear, concise, and audience-centered business documents.

3. **Information Technology Competency:** A CBA graduate will be able to utilize Information Technology for the completion of business tasks.

Student Learning Objectives:

- 3.1. Use data-processing tools to analyze or solve business problems.

4. **Ethical Competency:** A CBA graduate will be able to recognize ethical issues present in business environment, analyze the tradeoffs between different ethical perspectives, and make a well-supported ethical decision.

Student Learning Objectives:

- 4.1. Identify the ethical dimensions of a business decision.
- 4.2. Recognize and analyze the tradeoffs created by application of competing ethical perspectives.
- 4.3. Formulate and defend a well-supported recommendation for the resolution of an ethical issue.

5. **General Business Knowledge:** A CBA graduate will be able to demonstrate a basic understanding of the main business disciplines' concepts and theories.

Student Learning Objectives:

- 5.1. Acquire a fundamental understanding of knowledge from the main business disciplines (e.g. finance, accounting, marketing, and management information systems, among others).

*Note: Syllabus subject to updates and changes. Please check regularly on MS team for revisions.