**Kuwait University**

**College of Business Administration**

**Economics Department**

Course Syllabus

Managerial Economics (Econ 402)

Dr. Reyadh Faras

# Lecture Time and Location

Time: Sunday, Tuesday, Thursday, 11:00 – 11:50

Location: 3rd Floor – Zone D3 - Room 1009

# Contact Information

**Location**:Economics Department – 3rd Floor – Zone A – Office No. 1030 **Email:** reyadh.faras@ku.edu.kw

**Office Hours**: Sunday, Tuesday, Thursday, 12:00 – 12:30 pm and by appointment

# Course Description

# The course emphasizes the practical application of economic theory to managerial decision-making and problem-solving. Topics include an overview of managerial economics, maximization and optimization, decision analysis under risk and uncertainty, demand analysis and the theory of consumer behavior, demand elasticity, empirical demand functions, demand forecasting, the theory of cost, cost analysis and estimation in the short run and in the long run, market structure, competition, monopolistic competition, pricing practices and the impact of government on business today.

# Course Learning Objectives (CLOs)

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

1. Understand and apply economics demand and supply models and tools to make informed managerial decisions.
2. Understand the theory of the firms, and the different market structures. Analyze the firms behavior, pricing and production strategies within each of these structures.
3. Acquire an understanding of the game theory principles and apply it to different economics situations.
4. Analyze decision-making problems under uncertainty.

# CLO Mapping to CBA Skill Based Competency Goals[[1]](#footnote-2)

|  |  |
| --- | --- |
| CLO | Competency Goal |
| Analytical | Communication | Information Technology | Business Ethics |
| 1 | A |  |  |  |
| 2 | R |  |  |  |
| 3 | I |  |  |  |
| 4 | I |  |  |  |

# 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.

# Required Material

**Textbook**:

* Managerial Economics and Business Strategy, by Michael Baye and Jeff Prince, Latest Edition, McGraw-Hill Education.

**Other references:**

* Managerial Economics and Organizational Architecture, by Brickley, J. A., Smith, C. W., & Zimmerman, J. L. 7th Edition, McGraw Hill

**Additional Material**: Lecture slides are available on MS Teams. Additional reading materials will be posted in MS Teams.

# Course Requirements

* **In-Class Tests:** There are a number of in-class tests: Quizzes, Midterm and Final exams.
* **Participation:** The quality of our classroom discussions in large part depends on you and your preparation for class.

# Course Policies

* **Attendance and Participation:** Every student in this course must abide by the Kuwait University Policy on Attendance (published in the Curriculum System Bylaws, Chapter 3, Section 13). A proper copy of the student guide can be accessed online at:

<http://kuweb.ku.edu.kw/DO/ar/Students/StudentGuide/index.htm>

Attendance will be recorded in Moodle. You can check your attendance on Moodle. You should report any discrepancies for corrections by, at most, the next class.

* **Cheating and Plagiarism:** Every student in this course must abide by the Kuwait University Policy on Cheating and Plagiarism (published in the bylaws).
* Please carefully note all sources and assistance when you submit 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 questions about what constitutes “unauthorized assistance,” please contact me through email or MS Teams before submitting the deliverable.

# Grading

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

|  |  |
| --- | --- |
| Weight | Description |
| 30% | Midterm Exam |
| 10% | Quizzes |
| 10% | Project  |
| 5% | Presentation |
| 5% | Participation & Attendance |
| 40% | Final Exam |
| 100% | TOTAL |

# Course Outline

|  |  |  |
| --- | --- | --- |
| **Title** | **Chapters** | **Topics** |
| **Introduction** | **1** | ●Introduction to economics, Economics Models, Basic Mathematical skills, and the concept of marginality and opportunity cost.  |
| **Demand, Supply, and Market Equilibrium** | **2** | ● Demand Function, Shifters, and Consumer Surplus ● Supply Function, Shifters, and Producer Surplus ● Market Equilibrium ● Price Ceilings and Floors  |
| **Elasticity** | **3** | ● Concept of Elasticity ● Own Price Elasticity, ● Cross Price Elasticity ● Elasticity and Revenue. |
| **Businesses & Costs of Production** | **5** | ●Variable Costs ,Fixed Costs and Total Costs, ●Accounting and Economic Costs ● Sunk Cost ●Economies of Scale and Scope ● Production Optimization and Decisions |
| **Midterm Exam** |
| **Market Structure** | **7, 8, 9** | ●Purely Competitive Market ● Monopolistic Competition ● Oligopoly ●Monopoly |
| **Pricing** | **11** | ●Simple Pricing ●Complex pricing ●Direct and Indirect Price Discrimination. |
| **Game Theory** | **10** | ●Introduction ● Simultaneous and Sequential Games ●Applications |
| **Information** | **12** | ●Decisions under uncertainty ● Asymmetric information problems  |

The course outline and the topics provided are tentative, and the instructor reserves the right to make any adjustments.

# Important Dates

|  |  |
| --- | --- |
| Date | Event |
| TBD | Midterm |
| 22/12/2024 | Last day of classes |
| 14/12/2024 | Project Submission |
| 19,22/12/2024 | Presentations |
| 30/12/2024 | Final Exam  |

# The instructor reserves the right to adjust the exam date if necessary in coordination with students.

**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 |

**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).

1. CBA Competency Goals can be found at the end of this document [↑](#footnote-ref-2)