



Kuwait University
College of Business Administration
Economics Department



Course Syllabus
Managerial Economics (MBA 551)

Spring 2023/2024
Ebrahim Alebrahim

Lecture Time and Location

Thursday, 5:00 PM – 7:50 PM, Room 1016 CG

Contact Information

Location: Economics Department – 3rd Floor – Zone A – Office No. 1032

Email: ebrahim.alebrahim@ku.edu.kw

Office Hours: Monday and Wednesday from 8:00 AM to 9:15 AM. Appointments and walk-ins at other times are also welcome.

E-Learning System: MS. Teams, and Moodle

Course Website: <http://moodle.ku.edu.kw>

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:

- CLO1.** Understand and apply economics demand and supply models and tools to make informed managerial decisions.
- CLO2.** Understand the theory of the firms, and the different market structures. Analyze the firms behavior, pricing and production strategies within each of these structures.
- CLO3.** Acquire an understanding of the game theory principles and apply it to different economics situations.
- CLO4.** Analyze decision-making problems under uncertainty.

CLO Mapping to CBA Skill Based Competency Goals¹

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" by Luke M. Froeb, Brian T. McCann, Michael R. Ward, and Mike Shor, Latest Edition, Cengage Learning
- "Managerial Economics: A Problem-Solving Approach" by Nick Wilkinson, 2nd Edition, Cambridge University Press
- "Microeconomics" by Robert S. Pindyck and Daniel L. Rubinfeld, 9th Edition, Pearson.
- "Microeconomics: A Very Short Introduction" by Avinash Dixit (2014), Oxford University Press.

¹ CBA Competency Goals can be found at the end of this document

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

Course Requirements

- **Exams:** In addition to the final exam, students will take two interim exams. The lowest score will not be counted toward the total grade for interim exams. Only in extreme cases of unavoidable, documented circumstances—such as serious illness or a significant family emergency—students may request a make-up exam.
- **In-class exercises and activities,** Students are required to participate in various in-class exercises and activities. The grade for this component will be a weighted average of all its components.

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%	In-class exercises, activities
30%	Midterm
40%	Final Exam
100%	TOTAL

Course Outline

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

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

Important Dates

Date	Event
TBD	Midterm
13/05/2024	Last day of classes
16/05/2024	Final Exam

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

Master of Business Administration (MBA) Competency Goals:

1. **Decision-Making Skills:** Our students will demonstrate advanced data-driven decision-making skills and supported by advanced analytical skills.

Student Learning Objectives:

- 1.1. Apply advanced quantitative and qualitative methods to solve business problems.
- 1.2. Recognize the implications of business decisions, evaluate different proposals based on available.

2. **Leadership Skills:** Our students will demonstrate the ability to incorporate appropriate leadership styles in pursuit of strategic goals.

Student Learning Objectives:

- 2.1. Analyze different leadership styles and assess the effectiveness of other leaders.
- 2.2. Demonstrate knowledge of relevant leadership situational factors.

3. **Ethical Reasoning:** Our students will be ethically conscious business leaders.

Student Learning Objectives:

- 3.1. Evaluate business decisions within an ethical framework.

4. **Communication:** Our students will demonstrate advanced communication skills in a variety of business settings.

- 4.1. Deliver clear, concise, and persuasive presentations.
- 4.2. Write clear, concise, and persuasive business documents.