

Syllabus for Economics 351M, Managerial Economics, Fall 2015

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Unique #'s 33386 and 33387

Required Texts. *Notes for Managerial Economics*, Stinchcombe (available on my U.T. web-site). 3rd edition or later of *Managerial Economics and Business Strategy*, by Michael Baye (later editions have Jeff Prince as co-author, New York : McGraw-Hill/Irwin). *Business Organization and Finance: Legal and Economic Principles* by William Klein, John Coffee Jr, and Frank Partnoy, 11th Edition (New York, NY : Foundation Press/Thomson Reuters, 2010).

Recommended Texts. *Producing Prosperity: Why America Needs a Manufacturing Renaissance*, by Gary P. Pisano and Willy C. Shih (Harvard Business Review Press 2012). *Introduction to Economic Analysis* by R. Preston McAfee, Tracy R. Lewis, and Donald J. Dale.

Lectures. MW 9:30-11 in WAG 214 (unique #33387), and MW 11-12:30 BRB 1.120 (unique #33386). The content of the two lectures will vary depending on questions, but will otherwise be approximately the same. I expect you to know the material covered in the readings and in lectures. In the past, students who have had electronic media open and functioning during lecture have tended to do quite badly in the course, almost as badly as those who did not show up.

Office hours and contact information. My office hours will be MW 2-3:30, by appointment, and by drop-in. My office is BRB 2.102A (the northeast corner of the second floor). My e-mail is max.stinchcombe@gmail.com, my office phone number is 512-475-8515. The T.A.s' contact information and office hours will be announced in class and by e-mail.

Schedule and readings. The table of contents for *Notes for Managerial Economics* and Ch. 1.A contain a good overview of the class, as does Ch. 1 of the Baye's *Managerial Economics and Business Strategy*. It will be easier for you if you do the readings before the corresponding lecture meetings and review them after. Lectures will not explicitly cover very much of the material in the readings, but the readings are crucial to the course.

First half of the course				
Date	Topic	Notes	Baye	Klein et al.
Wed Aug 26	Introduction	1.A	Ch. 1	n.a.
Mon Aug 31	Rational choice theory	1.B	Ch. 4	Ch. 1, I-IV
Wed Sept 2	Opportunity Cost	1.C.1-3	n.a.	Ch. 1, V-XI
Mon Sept 7	Labor Day			
Wed Sept 9	Optimal Resource Use	1.C.4-5	n.a.	n.a.
Mon Sept 14	Specifying technology	1.D.1-3	Ch. 5	n.a.
Wed Sept 16	Cost functions	1.D.4-9	Ch. 5	n.a.
Mon Sept 21	Cost of capital, NPV	1.E	Ch. 5	n.a.
Wed Sept 23	Scale and scope	1.F-G	Ch. 8	n.a.
Mon Sept 28	Expected utility	2.A	n.a.	Ch. 4.I-II
Wed Sept 30	Expected utility	2.A	n.a.	Ch. 4.I-II
Mon Oct 5	Comparative statics II	2.B	n.a.	Ch. 4.III-IV
Wed Oct 7	Comparative statics II	2.B	n.a.	Ch. 4.III-IV
Mon Oct 12	Columbus Day	n.a.	n.a.	n.a.
Wed Oct 14	Review	n.a.	n.a.	n.a.
Mon Oct 19	Mid-term	n.a.	n.a.	n.a.

Evaluation. Homework 20%, mid-term 25%, final exam 55%. I will post solutions to most of the homework problems on the day they are due. Therefore I will not accept late homeworks. If you must miss the mid-term on official university business, please arrange this ahead of time with me and we will arrange to spread the mid-term credit between the homeworks and the final exam (at least 10% must go to the final exam). If you miss the final exam for “compelling, non-academic reasons,” in order for me to assign a grade of incomplete, you must provide a medical excuse or verification of the emergency.

- During the semester there will be 7 homework assignments, during the first half of the semester, the four assignments will be due on: Monday Sept 14; Monday Sept 21; Monday Sept 28; and Wednesday Oct 14.
- The in-class mid-term exam is Mon Oct 19.
- The date and place of the final exam will soon be determined.

I encourage you to work together on homeworks. However, I strongly advise you not to succumb to the temptation to “free ride” on the work of others — work in a group but then go and produce your own versions of the answers. There are two reasons for this, one pedagogical and one more more strategic: a crucial part of your education involves learning how to connect different principles and pieces of information to each other, this is difficult and only becomes easier with practice, practice that you will not get if you do none of the work yourself; and you will need to know the material for the exams.

I sincerely hope that we will not have any occasion to use any part of UT’s official policies regarding academic dishonesty. The policies may be found in the General Information Catalog, Appendix C, Chapter 11 — Student Discipline and Conduct, subchapter 11-402 on “Academic Dishonesty.” My own attitude is that I will push for the harshest penalties possible if cheating is discovered.