

Course name: Managerial Economics

Course number: 209.8105

Instructor: Prof. Nahum Biger

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Office: Rm 301, Jacobs Building. Office hours: Thursdays all day

Ember Class

Session I: October – December 2018

Course objectives:

Managerial economics is the analysis of major management decisions using the tools of economics. Managerial economics applies many concepts from economics – demand and cost, monopoly and competition, the allocation of resources, and economic tradeoff – to aid managers in making better decisions. The course provides the framework and the economic tools needed to fulfil this goal.

The objectives of the course are thus to introduce students to principles of decision-making based on economic analysis. This means to familiarize learners with marginal analysis, demand analysis and pricing, basic notions and issues related to economic view of production, cost analysis and optimal decisions related to cost saving, the interaction of supply and demand, price determination and the effect of taxation and government intervention in markets, market imperfection and the economic behavior of monopolies and of cartels.

Course plan

Session	Topics	Reading	Assignment
1	Introduction: Optimal Decision Using Marginal Analysis	S&M* Ch. 1, 2	
2	Demand Analysis, Determinants of Demand, Demand Elasticity and Optimal Pricing	S&M., 3	Problem set I
3	Production	S&M., 6	Problem set II
4	Cost Analysis, Relevant Costs, Cost Analysis and Optimal Decisions	S&M., 7	Problem set III
5	Supply and Demand and Competitive Equilibrium; Market Efficiency	S&M., 8	Problem set IV
6	Monopoly	S&M., 9	Problem set V
7	Oligopoly, Cartels	S&M., 10	
8	Regulation, Public Goods, and Benefit-Cost Analysis	S&M., 11	Problem set VI

***S&M: Samuelson, W. F. and Stephen G. Marks, Managerial Economics, Eighth Edition, 2014. (Chapters will appear in the course web site). The book is available on line at the University Library. Book I.D. is 9919356386402791**

Course requirements and final grade

The final examination grade determines 75% of the final grade in the course. 25% of the final grade will be based on assignment grades and on active class participation.