



UNIVERSITY OF THE INCARNATE WORD

Extended Academic Programs

Term: UIW Online Summer 1 2016

Syllabus: PMBA 6313 Managerial Economics and Decision-Making

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Office Hours: By appointment

Catalog description:

Managerial economics and decision-making applies economics, strategy, and critical thinking processes to solve real-world problems in business. The course begins by introducing students to utility-maximization theory, production, cost, and institutional economic theory to explain how individuals and organizations make decisions in different types of market structures. Special emphasis is placed on the effect that the competitive environment and the role of incentives have on policies regarding price, output, and strategy. Strategic decision-making is further broken down using game theory, Porter's five forces analysis, and Porter's four corners analysis. Strategies to get employees and business units to work in the firm's best interests will also be reviewed. Finally, traditional economics is elaborated upon to review problem-solving models that reduce the negative effects of cognitive biases and decision-making traps.

Context:

Prerequisite: Principles of Macroeconomics (ECON 2301) or Principles of Microeconomics (ECON 2302).

Course overview:

Topics to be included / Teaching strategies / Technological skills development

- ✚ Topics include utility-maximization theory, production theory, cost-benefit analysis, perfect competition, imperfect competition, monopoly, strategic decision-making, incentives, institutional economic theory, game theory, pricing analysis, critical thinking processes, cognitive biases, decision-making traps
- ✚ In addition to the supplementing the text with lectures, student-centered, problem-based learning techniques including case studies, simulations, in-class activities, group work, and student presentations and/or facilitation of materials will be utilized.
- ✚ Students will develop tech-oriented skills using MS Excel to construct managerial economics decision-making models.

Text:

Froeb, L., & McCann, B. (2014). Managerial Economics: A Problem Solving Approach. Cengage. ISBN: 978-1-133-95148-3

Course outcomes: Upon completion of the course, students will be able to	Assessment: The objectives will be assessed
Explain how individuals and firms allocate resources among competing goods and inputs to optimize profit	By Critical analysis questions, examinations, and student-centered, problem-based learning activities
Use cost-benefit analysis to support price, non-price, and output decisions in different types of market structures	By Critical analysis questions, examinations, and student-centered, problem-based learning activities
Devise strategies to maximize individual, special business unit, and organizational performance	By Critical analysis questions, examinations, and student-centered, problem-based learning activities
Implement critical thinking processes to solve the problems associated with cognitive biases and decision-making traps	By Critical analysis questions, examinations, and student-centered, problem-based learning activities

Grading Activities, Criteria and Guidelines:

Assessment	Description	Weight
Problem Sets	After reading the text, each week you are to enhance your understanding of the material by reviewing presentations for each chapter. You will then use this knowledge to solve problems. Problem sets will be comprised of either end-of-chapter problems and/or online multiple choice questions. Answers to all questions must be submitted before midnight Sunday night. Since students have been provided with advanced notice of due dates for all assignments, late work is strongly discouraged. If for some reason a student has a valid excuse with documentation, late work will be accepted with a deduction up to, equal to, or greater than 15% per day. Further, in order to receive full credit for problems, please show your work when necessary. Finally, complete your work using MS Word or MS Excel.	24%
Case Study Analysis	Students will be assigned a case study to complete by the end of the course. Emphasis will be placed on the main problem being solved, key issues, and/or root causes. Students will be tasked with applying the appropriate analytical tools to case data, both quantitative and qualitative. For some cases, root cause analysis will be used to examine symptoms/key issues to derive alternative solutions mindful of the cause(s). Alternatives will then be critically examined leading to a final solution set. For other cases, the appropriate analytical tools will be used to choose among a set of currently existing alternatives. Finally, some cases will require a combination of both analytical approaches. Students will be provided a “case coach” and grading rubric to assist in constructing case study analyses.	16%
General Discussion	This consists of your weekly postings to our general discussion thread. Weekly threaded discussions have two objectives: 1) for students to discuss how key concepts can be applied in their organizations and 2) for students to discuss how key concepts are being applied in other organizations. Your grade will be based on the degree to which you demonstrate learning through <i>frequent</i> and <i>meaningful</i> discussion with your peers. In order to receive a passing grade, please post your initial response by midnight Wednesday night. Another good rule of thumb is to enter the boards at least three different days per week, and to make sure that you consistently engage your peers in sufficient detail. Threaded discussions must be completed each week before midnight Sunday night.	16%
Midterm Exam	Objective-type examination consisting of multiple choice questions, technical exercises and/or essay problems based over topics from the 1 st -half of the term.	20%
Final Exam	Objective-type examination consisting of multiple choice questions, technical exercises and/or essay problems over topics from the 2 nd -half of the term and select topics from the 1 st term.	24%
Total Grade		100%

Class Meeting Schedule/Matrix:

Each week you will notice a number in parenthesis. This is the Alternative Learning Equivalency for this course. It is an expectation for the minimum amount of time (hours) you will spend on each topic each week.

Week	Chapter Readings	Homework
1 5-2 to 5-8	Chapter 1 – Introduction Chapter 2- The One Lesson of Business	Presentation/Problems <ul style="list-style-type: none"> Review PPT for chapters 1, 2, and 3 and answer critical analysis questions below (3) Discussion

	Chapter 3 – Benefits, Costs, and Decisions “Before You Make That Big Decision” By Kahneman, Lovallo, and Sibony	<ul style="list-style-type: none"> Take part in Week One General Discussion (3) Problem Set: Due by midnight Sunday night
2 5-9 to 5-15	Chapter 4 – Extent (How Much) Decisions Chapter 5 – Investment Decisions (Looking Ahead and Reason Back) “The Hidden Traps in Decision Making” by Hammond, Keeney, and Raiffa	Presentation/Problems <ul style="list-style-type: none"> Review PPT for chapters 4 and 5 and answer critical analysis questions (3) Discussion <ul style="list-style-type: none"> Take part in Week One General Discussion (3) Problem Set: Due by midnight Sunday night
3 5-16 to 5-22	Chapter 6 – Simple Pricing Chapter 7 – Economies of Scale and Scope Chapter 8 – Understanding Markets and Industry Changes Root Cause Analysis Worksheet	Presentation/Problems <ul style="list-style-type: none"> Review PPT for chapters 6, 7, and 8 and answer critical analysis questions (3) Discussion <ul style="list-style-type: none"> Take part in Week Three General Discussion (3) Problem Set: Due by midnight Sunday night
4 5-23 to 5-29	Chapter 9 – Relationships between Industries (The Forces Moving Us Toward Long-Run Equilibrium) Chapter 10 – Strategy: The Quest to Keep Profit From Eroding “The Five Competitive Forces That Shape Strategy” by Porter Porter’s Four Corners Model Regal Carnation Harvard Case Study	Presentation/Problems <ul style="list-style-type: none"> Review PPT for chapters 9, 10, and 12 and answer critical analysis questions (2) Discussion <ul style="list-style-type: none"> Case Study Analysis (1.5) Take part in Week Four General Discussion (2.5) Problem Set: Due by midnight Sunday night
5 5-30 to 6-5	Chapter 12 – More Realistic and Complex Pricing Chapter 13 – Direct Price Discrimination Chapter 14 – Indirect Price Discrimination Regal Carnation Harvard Case Study	Presentation/Problems <ul style="list-style-type: none"> Review PPT for chapters 13 and 14 and answer critical analysis questions (2) Discussion <ul style="list-style-type: none"> Case Study Analysis (1.5) Take part in Week Five General Discussion (2.5) Problem Set: Due by midnight Sunday night Midterm Exam (Chapters 2-10)
6 6-6 to 6-12	Chapter 15 – Strategic Games Chapter 16 – Bargaining	Presentation/Problems <ul style="list-style-type: none"> Review PPT for chapters 15 and 16 and answer critical analysis questions (2)

	Regal Carnation Harvard Case Study	<p>Discussion</p> <ul style="list-style-type: none"> • Case Study Analysis (1.5) • Take part in Week Six General Discussion (2.5) <p>Problem Set: Due by midnight Sunday night</p>
7 6-13 to 6-19	<p>Chapter 17 – Making Decisions with Uncertainty</p> <p>Chapter 18 - Auctions</p> <p>Regal Carnation Harvard Case Study</p>	<p>Presentation/Problems</p> <ul style="list-style-type: none"> • Review PPT for chapters 17 and 18 and answer critical analysis questions (2) <p>Discussion</p> <ul style="list-style-type: none"> • Case Study Analysis (1.5) • Take part in Week Seven General Discussion (2.5) <p>Problem Set: Due by midnight Sunday night</p>
8 6-20 to 6-24	<p>Chapter 19 – The Problem of Adverse Selection</p> <p>Chapter 20 – The Problem of Moral Hazard</p> <p>Regal Carnation Harvard Case Study</p>	<p>Presentation/Problems</p> <ul style="list-style-type: none"> • Review PPT for chapters 19 and 20 and answer critical analysis questions (2) <p>Discussion</p> <ul style="list-style-type: none"> • Case Study Analysis (1.5) • Take part in Week Seven General Discussion (2.5) <p>Problem Set: Due by 5pm Central Standard Time (CST) on Friday 10-16</p> <p>Regal Carnation Case Study: Due by 5pm Central Standard Time (CST) on Friday 6-24</p> <p>Final Exam (Chapters 13-20) Note: Final exam must be completed by 5pm Central Standard Time (CST) on Friday 6-24</p>

Technical Help:

Students that have forgotten a username or password need to contact the Help Desk: 210-829-2721 or helpdesk@uiwtx.edu. They are available 24/7/365 for this purpose. Other major issues will most likely have to wait until regular office hours.

Course Drops & Refunds:

IMPORTANT “DROP COURSE” INFORMATION: It is the student's responsibility to drop their course within the 100% refund period to avoid assessment of tuition and fees. There will not be a university-initiated drop for non-participation. If you do not plan to attend, you must drop your courses by Friday at 5pm of the first week of the term to be within the 100% refund period. Please submit your drop to <http://online.uiw.edu/course-drop-form>. A \$50 administrative fee is applied for all drops from courses offered through the Virtual University.

ARMY Students must drop their course(s) through GoArmyEd. All active duty military students do not get charged a drop fee.

Participation, Punctuality and Attendance: Requirements and Expectations

- Attendance: Abide by the UIW Attendance Policy as stated in the Catalog, page 92 (<http://www.uiw.edu/registrar/documents/uiw-ug-catalog-2013-2015--final-published-printed-version.pdf>).
- Participation in Virtual courses is expected three out of seven separate days.
- Participation in Hybrid courses is expected in class, and two out of seven separate days.
- Copies of homework, tests, exams, and e-mail communication: Save for your records.
- Assignments and Homework with due dates: Expected to be turned-in on time.

Academic Honesty Statement

(<http://www.uiw.edu/registrar/documents/uiw-ug-catalog-2013-2015--final-published-printed-version.pdf>, page 99). University of the Incarnate Word is strongly committed to the nurturing of academic excellence. The University expects its students to pursue and maintain truth, honesty, and personal integrity in their academic work. Academic dishonesty, in any form, constitutes a serious threat to the freedoms, which define an academic community. The following definitions and guidelines have therefore been established to secure the maintenance of academic integrity at Incarnate Word. Forms of academic dishonesty include, but are not limited to:

- Cheating on tests, examinations, or other class or laboratory work.
- Plagiarism (appropriation of another's work and the unacknowledged incorporation of that work in one's own written work offered for credit).
- Counterfeit Work – including turning in as one's own, work which was created, researched, or produced by someone else.
- Falsification of Academic Records – knowingly and improperly changing grades on transcripts, grade sheets, electronic data sheets, class reports, projects, or other academically related documents.
- Unauthorized Reuse of Work – the turning in of the same work to more than one class without consent of the instructor involved constitutes academic dishonesty.
- Theft – unauthorized use or circulation of tests or answer sheets specifically prepared for a given course and as yet not used or publicly released by the instructor of a course, or theft of completed tests.
- Collusion – Involvement in Collusion -unauthorized collaboration with another to violate a provision of the Code of Academic Integrity.
- Facilitating Academic Dishonesty – intentionally or knowingly helping or attempting to help another to violate a provision of the Academic Integrity Policy of the University.

Student Disabilities Statement

The University of the Incarnate Word is committed to providing a supportive, challenging, diverse and integrated environment for all students. In accordance with Section 504 of the Rehabilitation Act – Subpart E and Title III of the American with Disabilities Act (ADA), the University ensures accessibility to its programs, services and activities for qualified students with documented disabilities.

For more information, contact the Student Disability Services office:

Location -- Administration Building, Room 105

Phone – (210) 829-3997 Fax – (210) 829-6078

www.uiw.edu/sds