MBAD 6112
The Economics of Business Decision Making
Spring 2020

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Office Hours: **Main Campus:** T and R, 8:00-8:30 and 11:15-12:15
Uptown Center: T 4:30-5:30 immediately following MBA class

Required Text: Hirschey, Mark, Managerial Economics, 12th Edition, Thomson/Southwestern 2009, ISBN=978-0-324-58886-6.

Course Description: The Economics of Business Decisions: Prerequisites: MBAD 5110 and MBAD 5141 or equivalents. Economic concepts in the decision making process. Topics include scarcity, marginal analysis and tools of optimization; demand and supply analysis and market structure; economic efficiency; regression analysis; risk analysis and game theory and international economic issues.

Course Objectives: The objective of this course is to master basic microeconomic and econometric concepts and apply these concepts to business decision problems.

The Belk College of Business strives to create an inclusive academic climate in which the dignity of all individuals is respected and maintained. Therefore, we celebrate diversity that includes, but is not limited to ability/disability, age, culture, ethnicity, gender, language, race, religion, sexual orientation, and socio-economic status.

UNC Charlotte is committed to access to education. If you have a disability and need academic accommodations, please provide a letter of accommodation from Disability Services early in the semester. For more information on accommodations, contact the Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.

End of Chapter Problems: I will recommend problems in the back of each text chapter, although I will not assign these as formal homework. I will be happy to work through problems from the text at the beginning of each class period at student request**.** If you are absent when a problem is initially covered in class, please see me individually with questions regarding that particular problem. Repeatedly going over the same problem is not a good use of class time.

Attendance: A sign-up sheet will circulate each week to record attendance. Signing the sheet for another student is a violation of the academic integrity code and will be prosecuted to the fullest extent permitted under the UNC-Charlotte academic code. While there are no formal attendance standards for the course, attendance will be considered in student assessments, particularly in marginal grade cases. I fully understand that working professionals may be required to miss a class or two due to work

obligations. If your work schedule is likely to result in more than an absence or two, you may wish to consider taking this course another semester.

Grading Basis and Examination:

Grades will be based upon three tests and group computer project. The tests, exam and group project will be weighted as follows:

Test 1	30%
Test 2	30%
Group Project	10%
Test 3	30%

Letter grades are assigned as follows:

A	90-100
B	80- 89
C	70- 79
U	Below 70

Grades are rounded to the nearest whole percentage.

Cumulative Final Exam Option:

Students may elect to take a cumulative final examination with the option of improving their final grade one letter grade relative to the pre-exam grade with the pre-exam letter grade defined as the arithmetic average of the students two previous test scores (i.e. the pre-exam grade computation excludes the group project). Students exercising this option must perform at or above the mid-range of the higher grade level on every question on the exam (i.e. a student wishing to move from a B to an A must score 95% or better on every question, C to B 85% or better on every question and so forth). **Students who take the final exam must understand that the cumulative final will count toward the student's final grade regardless of whether the cumulative final raises or lowers the student's final grade.** If the score on the cumulative final is below the student's pre-exam average, the cumulative final will be treated as the students 3rd test score as outlined in the grading policies above.

Group Computer Project:

Students will work in teams of three or four students to complete a group regression project. You will self-select team members during the first class. Topics are due in writing (typed hard copy) January 28. The topic proposal should include the group numbers names, the basic model to be estimated with dependent and independent variables clearly specified and the data source(s) to be used for collecting data. The computer project report is due **in hard copy format** at the beginning of class April 14. **Projects will not be accepted late**. The computer project assignment is to develop and test a linear regression model using actual real world data covering a topic from economics or business that is of interest to the group. Students are to use Microsoft Excel to conduct the regression analysis. Data must allow at least thirty degrees of freedom and include at least two independent variables. (This requirement may be waived by the instructor in special cases). The written report is limited to five double spaced pages in 10 point or larger font (excluding tables) plus the printout of the computer results.

Graduate students in business should be capable of and are expected to conceive their own topic. While I will provide some guidance, a major purpose of the project is for students to consider possible

applications of the regression model and to conceive and specify a model. If I simply assigned projects, one of the most important benefits of the exercise would be lost. To inhibit free-riding, an opportunity will be given for assessment of team member (at the request of team members) performance at the completion of the group project.

Missed Tests:

Students who know in advance that they must miss a test for work related reasons may take a test early at a mutually agreed upon time. It is expected, however, that students arrange their work schedule so as to minimize the need for early testing. Makeup tests are administered after the original test date only for extreme situations such as illness, death in the family etc. Determination of extreme circumstance is at the discretion of the instructor.

Inclement Weather: In the event of inclement weather that closes the university the day of a scheduled test, the test is automatically rescheduled for the next class meeting. In the event of inclement weather, I will assess the safety of traveling to class and make an appropriate decision that balances safety and class obligations. I recommend that you do the same. If possible, I will make a posting on Canvas prior to the regular class time. If the university is closed for inclement weather or any other purpose, we will not have class. Please consult the university web page rather than emailing me to determine whether the university is opened or closed.

Academic Integrity:

Students have the responsibility to know and observe the requirements of The UNC Charlotte Code of Student Academic Integrity. This code forbids cheating, fabrication or falsification of information, multiple submission of academic work, plagiarism, abuse of academic materials, and complicity in academic dishonesty. Any special requirements or permission regarding academic integrity in this course will be stated by the instructor and are binding on the students. Academic evaluations in this course include a judgment that the student's work is free from academic dishonesty of any type; and grades in this course therefore should be and will be adversely affected by academic dishonesty. Students who violate the code can be expelled from UNC Charlotte. The normal penalty for a first offense is zero credit on the work involving dishonesty and further substantial reduction of the course grade. In almost all cases, the course grade is reduced to F. Copies of the code can be obtained from the Dean of Students Office. Standards of academic integrity will be enforced in this course. Students are expected to report cases of academic dishonesty to the course instructor.

Course Outline

Jan 14	Introduction to Managerial Economics, Chapter 1 Calculas Techniques, Chapter 2, Lecture Notes
Jan 21	Demand Analysis, Chapter 4 Lecture Notes **(Note: Students with weak backgrounds in economics should review chapter 3).**
Jan 28	Demand Estimation, Chapter 5 Lecture Notes
Feb 4	Conclude Demand Estimation, Chapter 5
Feb 11	**Test 1**

Feb 18	Demand Forecasting, Chapter 6
Feb 25	Production Analysis, Chapter 7
Mar 3	**Fall Break No Class**
Mar 10	Cost Analysis, Chapter 8
Mar 17	Competition Chapter 10
Mar 24	Monopoly/Monopsony, Chapter 12 (Delete Monopsony pp. 475-479)
Mar 31	**Test 2**
Apr 7	Imperfect Competition, Chapter 13, Lecture Notes
Apr 14	Game Theory, Chapter 14
Apr 21	Pricing Practices, Chapter 15 **(Computer Project Due)**
Apr 28	Conclude pricing
May 5	**Test 3/ Final Exam, 5:30-8:20 pm (Note exam times for CCB differ somewhat from those posted in exam schedule)**

The syllabus may be amended to address time constraints.