Managerial economics looks at the decision making facing the managers. We discuss the nature of the firm and the relationships between managers and owners. We then study how managerial decisions are constrained by different factors including market structure, entry and exit, uncertainty, information, and government regulation. Students are expected to be familiar with first year microeconomics.
<table>
<thead>
<tr>
<th>Mode of Delivery</th>
<th>On campus.</th>
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<tbody>
<tr>
<td>Prerequisites</td>
<td>Econ1101 (for 2014 students)</td>
</tr>
</tbody>
</table>
| Course Convenor/Lecturer: | Tina Kao  
Office: Room 2015, H. W. Arndt Building |
| Email:           | tina.kao@anu.edu |
| Office hours for student consultation: | TBA |
| Tutor            | TBA |
| Student administrator/s | Ms Karissa Carkeet  
Office: Room 1013, H. W. Arndt Building |
| Phone:           | 6125 0384 |
| Email:           | karissa.carkeet@anu.edu.au |
| Lecture time and location | Tuesdays 9 to 11 am and Wednesdays 10 to 11 am.  
One of these hours will be used for tutorials if the student number does not exceed the threshold number. If the class enrolment goes up and multiple tutorial sessions need to be arranged, we will announce the tutorial times in week 1. |

**SEMESTER 1**  
2016

**wattle.anu.edu.au**

**COURSE OVERVIEW**  
**Learning Outcomes**

On satisfying the requirements for this course, students will be able to:

- Understand the internal and external decisions to be made by managers
- Understand how optimal decisions such as pricing strategies, product differentiation, research & development, and marketing vary according to the natures of products and the structures of the markets
- Understand the design of optimal incentive schemes, including salary, bonus, and stock options, for managers
- Analyse real-world examples with a systematic theoretical framework.

**Proposed Assessment (Summary):**
Assessment for this course will be confirmed after consultation with students at the first lecture of the semester. If there are any changes to the assessment, those changes will be publicised on Wattle.

For students enrolled in Econ2014:

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<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Value</th>
<th>Tentative Date</th>
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<tbody>
<tr>
<td>Midterm exam</td>
<td>40%</td>
<td>TBA, most likely in week 7</td>
</tr>
<tr>
<td>Final exam</td>
<td>60%</td>
<td>TBA (please refer to final exam timetable)</td>
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<tr>
<td>Final exam</td>
<td>70%</td>
<td>TBA (please refer to final exam timetable)</td>
</tr>
</tbody>
</table>

The grades may be scaled up or down. Students enrolled in different course codes may be subject to different scaling if applicable.

**Feedback**

**Staff Feedback**
- Weekly lectures: Lecture slides will be posted on Wattle prior to each lecture. Students should read the relevant chapter in the textbook prior to attending the lecture. Participation and discussions during the lectures are encouraged.
- Weekly tutorials: Students should work on the problems prior to attending the tutorials. We encourage active tutorial participation.
- Office hours: The office hours will be announced on Wattle. Office hours are designed to assist your own study. Students should attempt the problems before...
coming for consultation. Please keep up with the weekly progress. Office hours may get crowded towards exam period and time may have to be rationed.

- Mid semester exams: After the mid semester exam, we will go through the answers in tutorials and a brief answer guide will also be provided.

**Student Feedback**
ANU is committed to the demonstration of educational excellence and regularly seeks feedback from students. One of the key formal ways students have to provide feedback is through Student Experience of Learning Support (SELS) surveys. The feedback given in these surveys is anonymous and provides the Colleges, University Education Committee and Academic Board with opportunities to recognise excellent teaching, and opportunities for improvement.

For more information on student surveys at ANU and reports on the feedback provided on ANU courses, go to:

http://unistats.anu.edu.au/surveys/selt/students/ and
http://unistats.anu.edu.au/surveys/selt/results/learning/

**Policies**
ANU has educational policies, procedures and guidelines, which are designed to ensure that staff and students are aware of the University’s academic standards, and implement them. You can find the University’s education policies and an explanatory glossary at:

http://policies.anu.edu.au/

Students are expected to have read the [Code of Practice for Student Academic Integrity](http://unistats.anu.edu.au/surveys/selt/students/) before the commencement of their course.

Other key policies include:

- Academic Progress
- Assessment of Student Learning
- Assessment Review and Appeals
- Course Assessment: Consultation and Finalisation
• Student Feedback on Teaching and Learning
• Insert College policies on extensions, late submissions, etc as appropriate
COURSE SCHEDULE

Tentative only, detailed progress log will be noted on Wattle. Subjects may not fit exactly within each week’s lecture time. Students are expected to be familiar with materials covered in Econ1101 Microeconomics. Chapters 1 and 2 will be assumed knowledge and will not be covered in the lecture.

| Week 1       | Quantitative Demand Analysis (Ch. 3)  
The Theory of Individual Behaviour (Ch. 4) |
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<tbody>
<tr>
<td>Week 2</td>
<td>Cost Structure and the Organization of the Firm (Ch. 5, Ch 6)</td>
</tr>
<tr>
<td>Week 3</td>
<td>The Nature of Industry (Ch. 7)</td>
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<tr>
<td>Week 4</td>
<td>Managing in Monopolistic and Monopolistically Competitive Markets (Ch. 8)</td>
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<tr>
<td>Week 5</td>
<td>Game theory</td>
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<tr>
<td>Week 6</td>
<td>Game theory</td>
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<tr>
<td>Week 7</td>
<td>Tentative mid term exam</td>
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<tr>
<td>Week 8</td>
<td>Managing in Oligopoly Markets (Ch. 9, 10)</td>
</tr>
</tbody>
</table>
| Week 9       | Managing in Oligopoly Markets (Ch. 9, 10)  
Pricing Strategies for Firms with Market Power (Ch. 11) |
| Week 10      | Pricing Strategies for Firms with Market Power (Ch. 11)  
The Economics of Information (Ch. 12) |
| Week 11      | The Economics of Information (Ch. 12)  
Advanced Topics in Business Strategy (Ch. 13) |
| Week 12      | Advanced Topics in Business Strategy (Ch. 13) |
| Week 13      | Summary and Revision                  |
Workloads
Students taking this course are expected to commit at least 9 hours a week to completing the work.
This will include:

- Lectures: 2 hours
- Tutorials: 1 hour
- private study: 6 hours

Prescribed Texts


FAQs

Q: Can I use previous editions of the textbook?
A: Each edition of the textbook is revised. The main context may be the same, and it is largely fine to use a previous edition textbook. However, you should check your edition against the new edition (desk copies are available in the library) for any major changes.

Q: How can I study for this course?
A: Attend the lectures and tutorials. Work through the tutorial questions before the tutorial. You should understand the materials instead of trying to memorise them.