

**Course Syllabus****Professor Information** Professor: Steven S. Shwiff, Ph.D., CPF

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**E-mail:** [Steven.Shwiff@tamuc.edu](mailto:Steven.Shwiff@tamuc.edu), Do not send me txt messages. I will respond to e-mails. I have an office on site and can meet with you before class as arranged.

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**Course Material** **Text:** Managerial Economics, Applications, Strategy and Tactics, most recent edition, McGuigan et.al. You may use older editions or the International Edition but the syllabus is correlated to the 13<sup>th</sup> ed. You are responsible for doing chapter number translation. There are simply too many differences between chapter problems etc. The bookstores in Commerce have copies in stock as well as having an online link we may go reference. In addition you can go the companion web page for your text and here is the link: [Text Book Link](#). This site has a wealth of support information for you.

Some students imply you do not need to buy nor read the text. That is **NOT** true and I will be giving **pop quizzes** during the semester to ensure you are reading the text. Your reading the text and my class lectures go together. I cannot cover everything in the book during class.

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**About the Course** Background Issues

This syllabus is NOT a CONTRACT. It is a suggested timeline and may change during the semester. You will be notified of any changes in dates or material covered in class. If you miss a class it is your responsibility to determine what changes have been made if any.

This course presupposes some knowledge of calculus to the extent that you should be able to take a simple derivative. In addition, this course presupposes that you have a working knowledge of statistics. While the course material reviews measures of central tendency and dispersion as well as Ordinary Least Squares- regression analysis- these are reviewed in the context of their applications in the field of managerial economics. It is assumed you have already studied all these tools either in your undergraduate program or in your previous graduate courses. I HAVE PUT REVIEW MATERIALS ON THE CLASS PAGE BUT YOU WILL HAVE TO GO THROUGH THEM TO BRING YOURSELF UP TO SPEED. If you don't know what a derivative is, or if you don't know what we mean by measures of central tendency and dispersion or Ordinary Least Squares regression analysis, and do not have the time to go through the review materials

(or do not wish to) you should rethink taking this course at this time.

This is a class dealing with the application economic theory to managerial decision making. It is not about your or my opinions. It is about your learning the theory and how to apply it. There are right and wrong answers. Analysis based on a solid theoretical underpinning is what we hope to accomplish.

The table below provides a detailed timeline for working on the material to help ensure you don't get behind. Keep in mind that "Cramming" has a very long history of FAILURE. Your class will follow the sequence below and you need to keep up.

The fact that you may be working a full time job while taking this class will put additional pressure on you. You should be aware that I still expect you to meet the timelines in this class. Your employer would not accept other time commitments as a reason for missing a deadline NOR WILL I.

**You will need to study at least seven hours a week. No kidding. There is just too much material to cover to do otherwise. We will also be assigning self-worked and taught problems for some material. This material will not be covered at length in class.**

#### How to proceed in the class?

You have the time line below. You must read all of those chapters each week. Make sure to attend class and ask questions. READ THE BOOK. It is not bad. See sample study week at the end of your syllabus. Asking your classmates to explain theory they may not understand is also a poor strategy. The text book has a great companion site which can help you immensely. Take advantage of all the resources it offers. Your class page has many resources I have placed there for you.

**Exams** There will be three one hour essay examinations for the class. Dates are shown below. **Pop quizzes will be given to ensure you are reading the text. They will be unannounced.**

Exam Dates and Suggested Study Schedule	Weeks Of	Text Chapter	
	01/17 – 01/30	1, 2,3 Calculus Rev.	
	02/06	7,8,9 Production & Cost	
		Boundaries of the Firm	
	02/13 - 02/20	10, 11 Competition & Monopoly	
	02/27	Duopoly Models	

03/06 – 03/20	12 Oligopoly Models Spring Break 03/13	
03/27 – 04/03	13, Game Theory	
04/10 – 04/17	14, Pricing	
04/24 – 05/03	Value Based Human Capital Pricing	

### **Grade:**

Your grade will be determined as follows:

- (a) Four half page issue briefs (25%) with one due each quarter of the class
- (b) One "you be the consultant" essay (25%) one week after assigned in class
- (c) Value based pricing essay (25%) due 05/03
- (d) Calculus test using monopoly and competition models (25%) taken week of 02/27

The approach to writing issue briefs and essays will be discussed in class.

There are no make-up exams. If you miss an exam then it's weight will be added to the next. There is also no extra credit.

### **SAMPLE STUDY WEEK**

Access to these support materials is located at the companion site for your text and your class page in e-College. The link is above.

Step 1. Read Assigned chapters and study. Simply putting time in is not enough.

Step 2. Use any slides or power points from the companion site for your text to help you keep track of key concepts in each chapter. You have an e-College class page. I have placed important material for you there. Please read it.

Step 3. Ask questions in Class or Office Hours.

Step 4. Don't forget to attend class and read the assigned chapters BEFORE coming to class

### **STUDENT CONSIDERATIONS**

- ✓ All students enrolled at the university shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment.
- ✓ The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact: Office of Student Disability Resources and Services, Texas A&M University-Commerce, Halladay Student Services Building Room 303 A/D, Phone (903) 886-5150 or (903) 886-5835, Fax (903) 468-8148, [StudentDisabilityServices@tamuc-commerce.edu](mailto:StudentDisabilityServices@tamuc-commerce.edu)
- ✓ Plagiarism represents disregard for academic standards and is strictly against University policy. Plagiarized work will result in an “F” for the course and further administrative sanctions permitted under University policy. Guidelines for properly quoting someone else’s writings and the proper citing of sources can be found in the APA Publication Manual. If you do not understand the term “plagiarism”, or if you have difficulty summarizing or documenting sources, contact your professor for assistance. The College of Business at Texas A&M University-Commerce students will follow the highest level of ethical and professional behavior. Actionable Conduct includes illegal activity, dishonest conduct, cheating, and plagiarism. Failure to abide by the principles of ethical and professional behavior will result in sanctions up to and including dismissal from the university.
- ✓ A&M-Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

#### Campus Concealed Carry

Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations. For a list of locations, please refer to (<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedure/s/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.

## Selected Concepts from Eco 562

### INTRODUCTION

1. Course Goals and Objectives
2. Examinations and Grading
3. Expectations
4. Math Background
  - a. Graphing
  - b. Calculus
5. Consumer Choice
6. Demand, Supply, Market clearing and elasticity

### COSTS AND PRODUCTION

1. Inputs and Production
2. Costs and Cost minimization
3. Cost Curves
4. Difference between costs in Economics and Accounting.

### BOUNDARIES OF THE FIRM

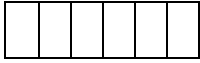
1. Horizontal (scale and scope)
2. Vertical (make or buy)

### MARKETS AND COMPETITIVE ANALYSIS

1. Industry Analysis ( Porter's five forces)
2. Non Interdependent Markets (Competition and Monopoly)
  - a. Entry/Exit, and degree of market power
  - b. Industry Analysis
  - c. Profit Maximization
3. Interdependent Markets ( Oligopoly and Monopolistic Competition)
  - a. Firms with market power
  - b. Profit Maximization
  - c. Strategic Behavior
    - a. Duopoly models
    - b. Game theory
4. Yield Management

### VALUE BASED PRICING

1. Value Creation
2. Price Structure
3. Price & Value communication



4. Pricing Policy
5. Price Level

## PRICING HUMAN CAPITAL