

A506—Managerial Economics
Professor: DR. Eric Schansberg

IU (New Albany)
Spring 2012

Texts:

-McKenzie & Lee, *Microeconomics for MBA's: The Economic Way of Thinking for Managers*, 2nd ed. (ISBN #978-0-521-19147-0)

-see: http://www.cambridge.org/gb/knowledge/isbn/item2705173/?site_locale=en_GB
(click on “resources”, in the middle of the page, to access on-line perspectives and readings) or

http://www.cambridge.org/gb/knowledge/isbn/item2705173/?site_locale=en_GB&display=genresources&anchor=true

-*Wall Street Journal* (optional)

-graph paper and colored pens/pencils may be helpful

Office Hours:

M 4:00-5:45 (before L502)

Office location: Hillside Hall 018

R 4:00-5:45 (before A506)

Office phone #: 941-2527

MR 8:45-?? (after L502, A506)

Email address: DSchansb@ius.edu (vs. On-Course)

-by appointment...

Webpage: <http://homepages.ius.edu/DSchansb>

Please don't hesitate to contact me if you need help; in addition to my research and service to the university and community, my primary commitment is teaching. Part of my job is to help you **outside of class**—you are not an inconvenience.

If you do not know how to access or use Oncourse, please ask a computer lab assistant ASAP. In particular, you should enable your “email forwarding preference” (under "Messages" and then "Settings") and set it to your preferred email address.

IUS School of Business “Assurance of Learning” Goal for this Course

-Area: Knowledge in Content Ideas

-Goal: Students will have an integrative knowledge of fundamental business topics, systems, and processes.

-Outcome: Students will apply the analytical tool of economics for managerial decision making.

My Course Goals

-analyze and better understand managerial problems with economic concepts, suggesting strategies for managerial success

-enhance problem-solving skills; promote critical and creative thinking

Grading: You will earn your grade on the basis of your performance on...

2 Exams	45% (20 + 25%)
Class Participation	15%
7 Homeworks	10%
Paper and Presentation	20%
Book Review	10%

Exams:

- Questions will be short answer, short essay, mathematical, and graphical.
- I encourage you to think through questions that I might ask over the material to be tested.

Class Participation:

- Your grade in this part of the course is determined by accuracy and activity in response to questions posed during class and paper presentations.
- The grades for the class in this component of the course will likely have a similar distribution to other components of the grade.
- Questions will come from the material assigned for that day.
- Lecture structure is predicated on the assumption that the readings have been completed.
- As the semester proceeds, I encourage you to inquire if you want to know how you're doing in this portion of your grade.

Homeworks:

- available on my website and On-course
- designed to make the material more accessible and to prepare for exams; questions are intended to be within your reach (e.g., don't spend an hour on #2b.)
- office hours (or emails with me) and competent group work are likely to be helpful
- graded mostly on effort, and less so, on accuracy
- homeworks will largely be treated as self-explanatory; if you have questions—before or after the fact—please drop me a line
- need to be stapled and legible hard-copy; 10% penalty if late

Book Review:

- Possible books: Koch's *The Science of Success*, Leeson's *The Invisible Hook*, Kennedy's *Macroeconomic Essentials*, Venkatesh's *Off the Books*, Fogel & Engermann's *Time on the Cross*, Schwartz's *The Paradox of Choice* (very interesting, but somewhat difficult to connect to A506 and your work), *Entrepreneurship and Religion* (ed. Dana; intro and chapters 6, 12, 14, 17, 18, 20), *The Frozen Water Trade* by Gavin Weightman, *The Invention of Enterprise*, eds. Landes et. al., or other books you can ask me to consider.

Book Review (cont'd):

- Length: 4-6 pages (with 1.5-line spacing), summarizing and providing value-added comments, integrating with the course and your work as possible
- You can use any common/acceptable literary format or style. Assuming close conformity to standards of grammar, spelling, etc., graded more on substance than style

Paper/Presentation:

- apply concepts/principles from the course to (positive or negative) aspects of your job—using many (unrelated) principles or focusing on one or two (feel free to talk with me about your options; see me if you're not currently employed)
- little or no research is expected—with minimal if any citations, references, etc.
- if you work within health care/insurance, try to focus on principles of managerial economics within the workings of your company
- feel free to eliminate the name of your company from the presentation (or paper)—if its inclusion would compromise what you would say (or write)
 - describe aspects of your job, briefly describe the applicable theory, use examples as appropriate, and discuss the benefits/costs of potential solutions/approaches
 - if possible, supplement with relevant data and meetings with relevant parties
 - on solutions: What's been tried and how is it working? What could be tried—and what are the pros/cons of that approach?
- the paper:
 - hard copy due on first day of presentations (20% penalty if late)
 - 5-8 pages in length; 12-13 pt. font with 1.5 line spacing and 1" margins
 - with close conformity to standards of grammar/spelling, graded *more so* on substance (analysis) than style (although I will provide thorough comments on your style)
 - you may use any common/acceptable literary format or style
 - more than three errors of grammar, spelling, etc. will result in a reduction in the paper grade of 10% per additional error
- the presentation:
 - held during classes 14 & 15 in the Fall/Spring (11/12 or 12/13 in the Summer) with the choice determined the previous class—by market mechanism as needed
 - if using PowerPoint, slides sent to me, by email, prior to class
 - 8-10 minutes in length—with 3-5 minutes of Q&A to follow (more if a smaller class)
 - given the (abbreviated) length, you may need to pick/choose what you present from the paper
 - deviations from the timeframe will incur a penalty
 - graded (rigorously) on substance AND style (probably same grade distribution as other elements of the grade—vs. “an easy A”)

Paper/Presentation (cont'd):

→ provide sufficient but *brief* context of your industry and your company—only enough so that outsiders can understand you

-within the presentation, about *one minute*; within the paper, no more than *one page*

→ grading rubric:

-40% presentation (20% quality of style; 20% quality of substance)

-60% paper (20% quality of writing style; 20% coverage of economic principles/concepts; 20% quality and quantity of analysis)

Other things to know:

-IUS will use IU-Notify to inform faculty, staff, and students about weather-related closings and delays. (Use OneStart to update your contact information through the Emergency Notification links—so you can be notified effectively.) IUS will also post notices on its web site and phone system (-2567 or -2662).

-IUS provides services for students who struggle with *writing* (-2498) and *math* (-2312).

-IUS provides services for students with disabilities: Students with a disability that requires accommodations in the classroom should contact the Office of Disability Services (ODS) at 941-2243) early in the semester, so their learning needs may be met. The student will need to provide documentation of the disability and if further documentation is needed, recommendations can be provided by the ODS. Additional info about the ODS may be obtained at: <http://www.ius.edu/asc/disabilityservices>.

-IUS accommodates the *religious observances* of students: “Any student who is unable to attend classes or participate in any examination, study, or work requirement on a particular day because of his or her religious beliefs is excused from any such activity. The student will be given the opportunity to make up the work that was missed, provided that the makeup work does not create an unreasonable burden upon Indiana University. Notification to the instructor must be given within the first two weeks of the semester and the appropriate paper work must be completed within the same time frame.” The IUS School of Business has a form to be filled out and signed by the student, instructor and Dean. It is the student’s responsibility to request accommodation at the beginning of each semester—for each relevant course.

-School of Business Honor Code: In accordance with the Indiana University Southeast Code of Student Conduct, the SoB has adopted the following honor code: “On my honor, I hereby pledge to neither give nor receive aid not authorized by the instructor on this [exam/test/paper].” The mechanism for enforcement will be the established channels provided through the Office of Student Affairs regarding academic misconduct. The purpose of the honor code is to reinforce for School of Business students the importance that our school places on ethical conduct as well as the increasing emphasis being placed on ethical behavior within the business community.

Quotes and Philosophy of Teaching:

- B. Knight: "The key is not the 'will to win'...everybody has that. It is the will to prepare to win that is important."
- Sophocles: "One must learn by doing the thing; for though you think you know it, you have no certainty until you try..."
- G. L. Bach: "Economics is a way of thinking about problems, not a set of answers to be taken off the shelf."
- W.B. Yeats: "Learning is not the filling of a pail; it is the lighting of a fire."
- Derek Bok: "If you think education is expensive, try ignorance."
- Mark Twain: "It isn't what we don't know that kills us, it's everything we know that ain't so."
- Blaise Pascal: "Working hard to think clearly is the beginning of moral conduct."
- Blaise Pascal: "If I had more time, I would write a shorter letter."
- Jerry Seinfeld: "According to most studies, people's number one fear is public speaking. Number two is death. Death is number two. Does that sound right? This means to the average person, if you go to a funeral, you're better off in the casket than doing the eulogy."