

A506—Managerial Economics
Professor: DR. Eric Schansberg

IU (New Albany)
Fall 2009

Texts:

- McKenzie & Lee, *Microeconomics for MBA's: The Economic Way of Thinking for Managers* (ISBN 0-521-85981-6)
- Wall Street Journal* (optional)
- graph paper and colored pens/pencils may be helpful

Office Hours:

TR	5:00-6:00 (before E321)	Office location:	Hillside Hall 004
T	after 7:15 (after E321)	Office phone #:	941-2527
R	after 10:15 (after A506)	Email address:	DSchansb@ius.edu (vs. On-Course)
-MTWR	8-2 and 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.

We'll use Oncourse for some course materials and communication. If you do not know how to access or use Oncourse, please ask a computer lab assistant at your earliest convenience. In particular, you should enable your "email forwarding preference" (under "Messages" and then "Settings") and set it to your preferred email address.

Other things to know:

- IUS provides services for students with disabilities (941-2579) as well as those who struggle with writing (-2498) and math (-2312).
- 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 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." 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.

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 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 should be expected to be similar 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.

Book Review:

- Koch's *The Science of Success*, Kennedy's *Macroeconomic Essentials*, Leeson's *The Invisible Hook*, or other books you can ask me to consider.
- 6-8 pages (with 1.2-line spacing), summarizing and providing comments (with value-added)
- Assuming close conformity to standards of grammar, spelling, and so on, graded *moreso* on substance (analysis) than style (although I will provide thorough comments on your style!)
- You can use any common/acceptable literary format or style.

Grading (cont'd)

Homeworks:

- are available on my website and On-course
- are 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.)
- the use of office hours (or emails with me) and competent group work are likely to be helpful
- are 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

Paper/Presentation:

- apply concepts/principles from the course to aspects of your job (see me if you're not currently employed)—using many (unrelated) principles or focusing on one or two (feel free to talk with me about your options)
- little or no research is expected—with minimal if any citations, references, etc.
- provide sufficient but brief context of your industry and your company (so that outsiders can understand you), describe the problem(s)/issue(s), briefly describe the applicable theory, and discuss the benefits/costs of potential solutions/approaches
 - if possible, supplement with relevant data, meet with relevant parties
 - on proposals and 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 1.2-1.4 line spacing and 1" margins
 - assuming close conformity to standards of grammar, spelling, and so on, graded *moreso* on substance (analysis) than style (although I will provide thorough comments on your style!)
 - you can 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

Paper/Presentation (cont'd):

-the presentation:

-held during classes 14 and 15—or between 12 and 13 in the summer—with the choice between the two determined the previous class—by market mechanism as needed

-8-10 minutes in length—with 2-4 minutes of Q&A afterwards (or more if a smaller class)

-graded (rigorously) on substance AND style (probably same grade distribution as other elements of the grade—vs. “an easy A”)

-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)

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."