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Office Hours: By Appointment

**ECON 420, Section 001**  
Managerial Economics  
**Spring Quarter 2014, Thursdays 6:00-9:00 PM, Corboy Hall Room 322**

**COURSE DESCRIPTION**

Successful managers need to understand the workings of the pricing system. This course develops the analytical tools of demand, supply, consumer preferences, production function, cost structures and applies them to market price formation under conditions of perfect competition, monopolistic competition, oligopoly and monopoly. The roles of information, efficient markets and strategic decision making will be emphasized in both domestic and global settings.

This course has as a prerequisite one calculus course. Please review Appendix A on page 597 of our textbook for a refresher. If you have difficulties understanding the Appendix A, please consider taking ISOM 400: Quantitative Methods.

**COURSE OVERVIEW**

This course uses tools of economic analysis to understand demand, supply, profits, production, competition, pricing policies, business criteria for investment, output, and marketing decisions. Throughout the course, pricing decisions will be placed within a broader perspective that considers social, environmental, governmental and ethical dimensions in obtaining optimal managerial decisions.
COURSE OBJECTIVES AND LEARNING OUTCOMES

Specifically this course has five learning goals/outcomes:

1. Develop quantitative skills in the area of pricing by understanding the concepts of supply and demand.
2. Develop the student’s critical thinking skills in the area of pricing and how various forms of markets determine such prices.
3. Develop the student’s ability to integrate knowledge from finance, economics and quantitative methods to price correctly goods and services.
4. Develop the student’s written communications skills by having students do written project.
5. Provide the student with quantitative tools to understand profit maximization.
6. Emphasize the ethical dimensions of pricing and the role of externalities with examples from environmental considerations.

REQUIRED MATERIALS

Textbook:

TOPICS PER WEEK

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<th>Date</th>
<th>Topic</th>
<th>Chapters</th>
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<tbody>
<tr>
<td>February 20</td>
<td>Introduction, Demand Theory</td>
<td>Chapters 1, 2</td>
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<td>February 27</td>
<td>Consumer Behavior and Rational Choice</td>
<td>Chapters 3, 4</td>
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<td>March 13</td>
<td>Production Analysis</td>
<td>Chapter 5</td>
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<td>March 20</td>
<td>The Analysis of Costs</td>
<td>Chapter 6</td>
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<td>March 27</td>
<td>Exam … Perfect Competition</td>
<td>Chapter 7</td>
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<td>April 3</td>
<td>Perfect Competition / Monopolistic Competition</td>
<td>Chapter 7, 8</td>
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<td>April 10</td>
<td>Monopolistic Competition / Oligopoly</td>
<td>Chapter 8, 10</td>
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Course Requirements and Grading Criteria

GRADING

The course grade will be based on:

33.3% Mid-term
33.3% Final
33.3% Project

The project will be passed out after the midterm. Students are allowed to work in groups up to five members.

Please note: This class may occasionally deviate from the course outline above. The instructor reserves the right to make changes as needed to the course syllabus.
**Attendance**

Class attendance and participation are fundamental components of learning, so punctual attendance at all classes, for the full class meeting period, is expected of Quinlan students.

**Make-Up Examinations**

Loyola University academic policy provides that tests or examinations may be given during the semester or summer sessions as often as deemed advisable by the instructor. Because Quinlan faculty believe examinations represent a critical component of student learning, required examinations should be taken during the regularly scheduled class period. **Make-up examinations are discouraged.** Exceptions may be granted only by the faculty member or department chair, and only for unavoidable circumstances (illness verified by a signed physician’s note, participation in intercollegiate athletic events, subpoenas, jury duty, military service, bereavement, or religious observance). A make-up final examination may be scheduled only with the permission of the appropriate Quinlan Assistant or Associate Dean.

If a make-up examination must be given, it is the responsibility of the faculty member to prepare, schedule, and proctor the exam. The only regular exception is for a student athlete, who may use the testing services of the Athletics Department to complete a make-up examination. For a student with a documented special testing need, please consult University policy concerning use of the testing center in Sullivan Center at Lake Shore Campus.

**Academic Integrity**

All members of the Quinlan School shall refrain from academic dishonesty and misconduct in all forms, including plagiarism, cheating, misrepresentation, fabrication, and falsehood...Plagiarism or cheating on the part of the student in individual or group academic work or in examination behavior will result minimally in the instructor assigning the grade of “F” for the assignment or examination. In addition, all instances of academic dishonesty must be reported to the chairperson of the department involved.