

MANAGERIAL ECONOMICS
ECONOMICS EC2129A001
Department of Economics
Western University

September 2024

Instructor: Phuong Vu
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Office hours: *Tuesdays: 15:45 – 16:45*
Thursdays: 16:45 – 17:45

Office hours are held in person at 4160 SSC.

Delivery mode: *In-person, online synchronous/asynchronous, or combination (specify what kind of combination)*

Meeting time(s): *Tuesdays: 9:30 – 10:30*
Thursdays: 9:30 – 11:30

Classroom: FNB-1240

Course website: <https://westernu.brightspace.com/d2l/home/29934>

Undergraduate inquiries: 519-661-3507 or SSC Room 4078 or econugrd@uwo.ca

Registration:

You are responsible for ensuring you are registered in the correct courses. If you are not registered in this course, the Department will not release any of your marks until your registration is corrected. You may check your timetable by using the Login on the Student Services website at <https://student.uwo.ca>. If you notice a problem, please contact your home Faculty Academic Counsellor immediately.

Prerequisite/Antirequisite Note:

Prerequisite(s): [Economics 1021A/B](#) and [Economics 1022A/B](#), or [Economics 2001A/B](#).

(The prerequisites and antirequisites for your course can be found in the Western Calendar at: <http://westerncalendar.uwo.ca/Courses.cfm?Subject=ECONOMIC&SelectedCalendar=Live&ArchiveID>)

You are responsible for ensuring that you have successfully completed all course prerequisites, and that you have not taken any anti-requisite courses. Lack of prerequisites may not be used as a basis for appeal. If you are found to be ineligible for a course, you may be removed from it at any time and you will receive no adjustment to your fees. This decision cannot be appealed.

If you find that you do not have the course prerequisites, it is in your best interest to drop the course well before the end of the add/drop period. Your prompt attention to this matter will not

only help protect your academic record, but will ensure that spaces become available for students who require the course in question for graduation.

Course Description:

This course will help you better understand decisions made within firms by uncovering and analyzing the motivations and constraints that underlie those decisions. The course differs from a course in management in that the perspective taken throughout the course is not to help one to be a better manager but rather to understand managerial decisions from the outside in one's role as a customer, employee, and citizen. Among the decisions to be studied are setting employee compensation and incentive schemes, deciding whether to purchase or manufacture product components and using sophisticated pricing systems.

Course Objectives:

Provide students with a high-level overview of the issues involved in managing businesses.

Course Learning Outcomes:

Upon successful completion of this course, you will be able to:

- Understand the legal and behavioural differences that distinguish the different types of organizations encountered in everyday life.
- Explain a variety of sophisticated pricing strategies and the conditions required for each pricing strategy that are used by firms to be profitable.
- Explain how a variety of employee compensation schemes alter employee incentives.
- Analyze and evaluate business applications related to the topics discussed in this course.
- Apply math skills to answering economic questions and understand why math skills are crucial to being a good economist.

Textbook(s) and Course Materials:

Recommended: Managerial Economics and Strategy, 3rd edition, by Perloff and Brander, 2020

Bookstore link: https://bookstore.uwo.ca/textbook-search?campus=UWO&term=W2024A&courses%5B0%5D=001_UW/ECO2129A

Other course materials will be provided on Brightspace.

Email Policies:

- Please use your UWO email address in all communications.
- Please **enter the course number (ECON2129)** in the subject heading of your email (or at least in your email) and include **your student number and section** so I can support you as soon as possible. I will try to respond to all emails within 48 hours, **except for weekends and holidays.**

- Please check the course Brightspace site and/or syllabus for information such as exam time and date, course materials, makeup exam policy, etc. If you need clarification about information, please feel free to ask me at the end of the lectures or via email.
- Please do NOT send emails to request extra assignments, assessments reweight (other than what is allowed according to the syllabus), etc., because they are prohibited under Senate regulations.

Technical Requirements (*delete or add, as applicable*)

- *Laptop or computer*
- *Stable internet connection*
- *Microphone*
- *Webcam*

For technical support, see the Brightspace help page or contact Western Technology Services Helpdesk (<https://wts.uwo.ca/about-wts/contact.html>). Google Chrome or Mozilla Firefox are the preferred browsers for Brightspace; update your browser frequently.

Course Outline:

Topic 1: The Basics of Organizational Structure: Ownership, Control, and Boundaries

- Types of organizations
- Ownership vs control of an organization
- The boundaries of a firm: what happens within a firm, what does not, and why

Topic 2: Sophisticated Pricing Strategies:

- Consumer choice theory
- Simple pricing
- Group pricing
- Two-part pricing
- Bundling
- Peak load pricing

Topic 3: The Principle-Agent Problem, Employee Incentives and Job Design

- Adverse selection and moral hazard
- Compensation mechanisms
- Monitoring and efficiency wages
- Job design and advantageous selection
- Intrinsic motivation

Notes:

- There are no classes during Fall Reading Week (Oct 12 to Oct 20, 2024).
- The tentative course schedule is subject to change(s). Any changes to this schedule will be provided in class. ***Topics and/or subtopics are tentative and may be added or deleted based on time constraints.***

Assessments and Grading:

Assessment	Tentative Time and Date	Tentative Topics	Weight
Midterm 1	October 10, 2024 9:30 AM to 11:00 AM (Eastern Time)	Topics 1 and 2	25%
Midterm 2	November 14, 2024 9:30 AM to 11:00 AM (Eastern Time)	Topics 2 and 3	25%
Final Exam	To be scheduled by the Office of Registrar	All topics	50%

- *Please note that all times and dates mentioned above are tentative and subject to Exam Central's approval. The assessment dates, times, and choices may change if classes move to an online status. All times are ET.*
- *Exam format: MCQs and short-answer questions, in-person, closed book.*
- *During exams, students are forbidden to communicate with anyone other than an examination proctor or the instructor. Students are NOT allowed to use any books, notes, study guides, diagrams, communication equipment such as a cell phone, computer programs or software, online resources or websites, or other aids unless authorized by the instructor; such authorization must be stated explicitly during the examination.*
- *Exam duration: Each midterm exam lasts 90 minutes, and the final exam lasts 120 minutes.*
- *Please note that self-attestation can NOT be applied for the second midterm.*

Policies regarding missed assessments:

- *Please read the “**Please note**” section at the end of the syllabus carefully to get more information about the University and Department policies for Fall 2024.*
- *If you miss any assessments, you must:*
 - *Follow the instructions to inform Academic Counselling promptly and submit your documentation for approval. Please check their policies at the beginning of the semester to ensure you understand their requirements.*
 - *Notify me, your instructor, within 24 hours of the missed assessment.*
- *If there has been approved, documented official accommodation, a make-up test will be offered. If the student cannot attend the make-up midterm(s) with an approved reason, the weight of a missed test will be transferred to the Final Exam. If the student cannot attend the make-up final exam with an approved reason, the student will receive an INC and can complete the assessment the next time the course is offered.*
- *Missed tests/exams without approved, documented official accommodation from Academic Counseling or without a self-attested absence (where applicable) will be given a zero mark.*

Professionalism, Privacy, and Copyright:

- Students are expected to follow the [Student Code of Conduct](#).
- All lectures and course materials, including slides, presentations, outlines, and similar materials, are protected by **copyright**. Students may take notes and make copies of course materials only for their own educational purposes.

- Students may not record lectures, reproduce (or allow others to reproduce), post or distribute lecture notes, assessments, or any other course materials publicly and/or for commercial purposes without written consent of the instructor.
- Recordings (audio or video) are not permitted without the instructor's explicit, written permission. Permitted recordings may not be distributed or shared.
- Students are expected to follow online etiquette expectations provided on Brightspace

Tips on How to Be Successful in this Class:

Students in this class should understand the level of autonomy and self-discipline required to be successful.

- Log onto Brightspace daily to ensure you have seen everything posted to help you succeed in this class.
- Start each week by checking the weekly announcement and reading the assigned textbook chapter(s). Then, read the course notes provided for you. You must read the textbook, as the course notes do not contain all the material that you need to know.
- Take notes as you go through the lesson material. Keeping notes (handwritten or digital) will help you learn more effectively than just reading or watching.
- Connect with others. Try forming a study group and meet regularly for study and peer support.
- Do not be afraid to ask questions. If you have questions or are struggling with a topic, please do not hesitate to contact me or the teaching assistant(s).

PLEASE NOTE
DEPARTMENT & UNIVERSITY POLICIES FOR FALL 2024

The University expects all students to take responsibility for their own Academic Programs. Students should also check their registration to ensure they are enrolled in the correct courses.

1. **Guidelines, policies, and your academic rights and responsibilities** are posted online in the current Western Academic Calendar at: <http://westerncalendar.uwo.ca>. Claiming that “you didn’t know what to do” is not an acceptable excuse for not following the stated policies and procedures.
2. A [*new academic consideration and flexibility in assessment*](#) policy is in effect starting September 2024. Students can miss one assessment per course per term without medical documentation. Faculty can designate one assessment per course for which students **cannot** self-attest.
3. Students must familiarize themselves with the “**Rules of Conduct for Examinations**” http://www.uwo.ca/univsec/pdf/academic_policies/exam/administration.pdf.
4. **Cheating as an academic offence:** Students are responsible for understanding what it means to “cheat.” The Department of Economics treats cheating incidents very seriously and will investigate any suspect behavior. Students found guilty will incur penalties that could include a failing grade or being barred from future registration in other Economics courses or programs. The University may impose further penalties such as suspension or expulsion.
5. **Plagiarism:** Students must write their essays and assignments in their own words. When taking an idea/passage from another author, it must be acknowledged with quotation marks where appropriate and referenced with footnotes or citations. Plagiarism is an academic offence (see Scholastic Discipline for Undergraduate Students in the Western Calendar at http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryId=1&SelectedCalendar=Live&ArchiveID=#Page_20).

Western University uses software to check for plagiarism and students may be required to electronically submit their work. Those found guilty will be penalized as noted in point 4.

6. It is a Department of Economics policy that **NO** assignments be dated, stamped or accepted by staff. Students must submit assignments to the instructor.
7. **Appeals:** University policies and procedures for appealing a mark can be found in the Student Academic Appeals section in the current Western Academic Calendar at: http://westerncalendar.uwo.ca/PolicyPages.cfm?Command=showCategory&PolicyCategoryId=1&SelectedCalendar=Live&ArchiveID=#Page_14. **Please note the relevant deadlines.**

Department of Economics procedures for appealing a mark can be found here: https://economics.uwo.ca/undergraduate/program_counselling/responsibilities_policies.html#appeals. The Department will not consider an appeal unless an attempt has been made

to settle the matter with the instructor first. Students who remain dissatisfied with the outcome may proceed to submit an appeal to econugrd@uwo.ca. Please follow the instructions and use the appeal form shown in the above link.

8. **Systematic adjustments of a class grade distribution** (either up or down) can occur in Economics courses. The fact that grades have been adjusted is **not** grounds for an appeal.

9. **ADD AND DROP DEADLINES:**

- Deadline to **ADD** first term full or half course: **Fri, Sept 13, 2024**
- Deadline to **DROP/WITHDRAW** first term full or half course: **Mon, Dec 2, 2024**

Policy Regarding Makeup Tests and Final Examinations

Faculty of Social Science policy states that oversleeping or misreading an exam schedule is NOT grounds for a makeup. This rule applies to midterm and final exams in the Department of Economics.

Policies Regarding Academic Accommodation

- Academic accommodation will not be granted automatically on request. Students must demonstrate by documentation that there are compelling medical or compassionate grounds before academic accommodation will be considered. The Faculty of Social Science's policies on academic accommodation are found at https://counselling.ssc.uwo.ca/procedures/academic_consideration.html
- **Accommodation for Students with Disabilities:** Students with disabilities or accessibility challenges should work with Accessible Education (formerly SSD, see http://academicsupport.uwo.ca/accessible_education/index.html), which provides recommendations for accommodation based on medical documentation or psychological and cognitive testing. The accommodation policy can be found here: [Academic Accommodation for Students with Disabilities](#).
- **Rewriting Exams and Retroactive Reweighting are NOT Permitted:** Students who proceed to write a test or examination must be prepared to accept the mark. Rewriting tests or examinations, or retroactive reweighting of marks, is **not** permitted. Students must also book travel arrangements AFTER final exam dates have been posted as they must not conflict with test or final exams.
- Unless medically incapable of doing so, students must notify their instructor prior to the test date or at least within **48 hours** when requesting a makeup exam. Failure to follow this procedure may result in denial of academic accommodation and a grade of zero. Students should also set up an appointment as soon as possible to meet with their instructor. If the instructor is not available, send an email message to the instructor, copying the Undergraduate Coordinator at econugrd@uwo.ca. **Notifying instructors of a missed exam does not automatically entitle students to a makeup.**
- For medical illnesses, students may consult Student Health Services and request a Student Medical Certificate from the physician. If assessed by an off-campus doctor,

students must obtain a certificate from his/her office at the time of the visit/assessment. Student Medical Certificate (SMC) is available here:

https://www.uwo.ca/univsec/pdf/academic_policies/appeals/medicalform.pdf

- **Documentation for Accommodation:** Individual instructors are not permitted to receive documentation directly from a student, whether in support of an application for consideration on medical grounds or for other reasons.
- **Western University policy on Consideration for Student Absence** is available here: https://counselling.ssc.uwo.ca/procedures/probation_rtw/appeals.html
- **Religious Accommodation:** Students should consult the University's list of recognized religious holidays and should give reasonable notice in writing, prior to the holiday, to the Instructor and an Academic Counsellor if their course requirements will be affected by a religious observance. Additional information is given in the [Western Multicultural Calendar](#).

Policy Regarding Class Attendance and Engagement: If the instructor deems a student's attendance or engagement in the class to be unsatisfactory, that student may be prohibited from writing the final examination. Examples of unsatisfactory class engagement include frequent absences from an in-person or synchronous online class, lack of assignment submissions, and inadequate use of online course materials. Instructors who intend to make use of this policy will notify the student in advance.

Statement on Mental Health and Support Services: Students under emotional/mental distress should visit http://uwo.ca/health/mental_wellbeing/ for more information and a complete list of resources on how to obtain help.

Statement on Remote Proctoring: While Western intends to hold most classes, mid-terms and finals in-person, the London-Middlesex Health unity may require western to teach in a remote format. If this occurs, all assessments will be done remotely and may involve the use of remote proctoring software (i.e., Proctorio, ProctorTrack). Instructors will provide information on the details should the need arise.