



COURSE SYLLABUS

Course: **ECON 4333 Economics of Organizations**
Prerequisite: (ECON 2013 and ECON 2023) or ECON 2143.

Course Description:

So, you want to be a practical economist! Economics of Organizations will help to prepare you to be able to estimate and define the relationship between key economic variables which affect the very performance of a firm. Rooted in Microeconomic Theory, Economics of Organizations examines those factors that influence the decision making process of a firm. Knowledge of how to interpret graphs, algebra, calculus and statistics are essential elements necessary for this pursuit.

Value of the Course:

Economics of Organizations is the application of Microeconomic Theory and methodology to situations confronting decision makers in all sectors of the economy including the private, public and even the non-profit sector of the economy. The purpose is to aid controllers of these entities to make informed decisions including efficient resource allocation along with the planning and instituting various strategies and tactics in order to accomplish the goals of the organization.

Text and Assigned Readings:

“Managerial Economics“12th Edition” by Mark Hirschey. In addition various assigned library readings and handouts may be given.

Class Procedures:

This class is primarily lecture oriented with student participation in discussions and questions greatly encouraged.

Attendance Policy:

Class attendance and participation are necessary in this class. You will not learn anything if you are not here to be taught. You are guaranteed to struggle in any college class if you do not read the assignments before the classroom lectures. Laziness and procrastination will most definitely be reflected in your grades.

Inclement Weather Policy:

The university has an obligation to remain open in spite of inclement weather. However, that obligation must be balanced with the risk of danger to commuting students. If severe and unexpected conditions should force the University to close offices and classrooms, the chancellor will instruct the Office of University Relations to notify area media which will then publicize the decision. Unless the University is officially closed, faculty and students must make their own decisions about the safety of commuting. Adjustments to homework will be made accordingly if and only if necessary.

Examinations:

There will be three (3) examinations during the semester. The examinations will be multiple choice, true/false with the possibility of several essay questions on each test. Some of the questions will be problem solving and a choice of answers may or may not be given. The use of Ouija boards, tarot cards or any other form of artificial knowledge such as notes is strictly forbidden! **ALL OF THE EXAMS WILL COUNT IN YOUR GRADE, NONE WILL BE DROPPED. SO START STUDYING NOW!!!** These tests are very thorough, extensively covering the notes in class for each day and the required readings in the textbook. Make sure you are well prepared for them far in advance of the test date. Study each day, procrastination will result in a substandard grade...Your fellow students are studying, you better be too!

Make-up Policy:

YOU WILL BE HERE THE DAY OF EACH EXAM!!! All tests will be taken at their assigned times. You will have a week of notice prior to each exam. No provision will be made to allow you to take the test at another time. Legitimate school business must be brought to my attention at least 5 days prior to the exam date. Unexcused absences from a test will entail an automatic 50-point penalty. Unexcused make-up exams will be **all essay** to be given and graded at the teacher's convenience. Proper documentation for all other circumstances that would put you in a position of taking make-ups must be supplied. Make-ups under these conditions will be taken in as reasonable a time period to the original schedule as possible.

Special Needs:

You are graded on the basis of your performance and not on your needs. If you are on a scholarship that is in jeopardy or are facing probation then you need to work extra hard now. The merry month of December is not the time to become concerned or worried about your grade. The time to work and make the grade is now, not later. Others will make the grade so you can too if you work hard. Come by ASAP and let me know of any special conditions you face requiring the taking of tests at least a week prior to the first test date.

*Fulfill your responsibilities without excuses. It is the responsibility of the student to know what is going on in the class even if the student is unable to attend. Knowledge of alterations to the schedule, written assignments or test dates is your responsibility*** Come by the office and communicate, it is impossible to answer hundreds of e-mails on a regular basis*

Student Responsibilities and Ground Rules for the Class

Material

YOU are responsible for all of the material covered in class as well as the assigned readings in the text. Some material in the text will not be covered in class but may certainly be present on the tests. Read the textbook and appropriate outside reading requirements before coming to class.

Classroom Conduct:

This is an Electronics and Cell Phone Free Classroom!!!

Turn these off and put them away BEFORE the class starts

They are never to be seen or heard

This is also a Distraction Free Classroom!!!

Respect your fellow students and professor

Be on time and be ready

Pay attention in class

Do not even think about doing homework for another class in here

If you need to leave the class early, then advise me of this prior to the class

Talking in Class, Note Passing or Doing Work other than for this class

This type of activity is not only extremely rude but is a major distraction to your professor and your fellow students. This is a university classroom and not a high school study hall. If you persist in pursuing these actions you will be reassigned another seat. Your attention is required in this class. **This is not a “come and sit on the back row and talk class”.** **Talk in the student union before or after this class, not during it!** **These are all big-time pet peeves, so don't do them.....**

Written Assignments

Any Outside Written assignments are due at the beginning of the of the class period of the due date!

NOT later that day,

NOT slid under my office door,

NOT turned into my secretary,

NOT delivered by carrier pigeon!

You will have enough time to properly complete the homework assignments. Web sites may go down but the assignment is still due on the due date! Therefore start working on them as soon as possible to avoid putting yourself in this situation! Procrastinating can be very costly here.

Fulfill your responsibilities without excuses.

*****It is the responsibility of the student to know what is going on in the class even if the student is unable to attend. Knowledge of alterations to the schedule, written assignments or test dates is your responsibility***** Come by the office and communicate, it is impossible to answer hundreds of e-mails on a regular basis

Rudely Undermining the Dissemination of Economics (R.U.D.E.)

Because Economics Has Astounding Value In Our Realm (B.E.H.A.V.I.O.R.)

R.U.D.E. B.E.H.A.V.I.O.R. will entail a 5 point reduction in your overall score for each episode.

Grade Determination and Subject Matter:

NOTE: Assigned Textbook Readings MAY BE ALTERED if necessary**

Test #1 Thursday September 22

300 Points (Perhaps 60 questions at 4 points per question with several essays)

Welcome To Economics of Organizations!

Essential Aspects of Equations, Statistics and Basic Background of Firms

Chapter 1 Nature and Scope of Managerial Economics (Read on your own)

Theory of the Firm

Goals and the Role of Business in Society

Chapter 2 and Appendix 2A and Appendix 2B Economic Optimization

Equations, Algebra and Calculus

Derivatives

The Process of Optimization

Revenue Relations

Cost Relations

Managerial Applications

Chapter 3 Demand and Supply

The Basic Elements of Econ Seen in a New Light!

Chapter 4 Demand Analysis

Utility Theory

The Budget Constraint

Consumer Equilibrium

Price Elasticity

Various Elasticities, too many to mention here!

Test #2 Thursday October 27

300 Points (Perhaps 60 questions at 4 points per question with several essays)

Chapter 5 Demand Estimation

Statistical Estimation of Demand

Regression Analysis

Least Squares Method

Judging Variable Significance

Chapter 7 and Appendix 7A Production Analysis and Compensation Policy

Production Functions

Law of Diminishing Returns

Optimal Input Employment

Chapter 8 Cost Analysis and Estimation

Short – Run Costs

Long – Run Costs

Minimum Efficient Scale

Chapter 10 Competitive Markets

Profit Maximization in Competitive Markets
Competitive Market Equilibrium

Chapter 11 Performance and Strategy in Competitive Markets

Market Failure
Government Involvement in the Markets
Price Controls

Test Three Thursday December 8 in this room

DO NOT OVERSLEEP as there is NO MAKE-UP for Test Three

300 Points (Most likely 60 questions at 4 points per question with several essays)

Chapter 14 Game Theory and Competitive Strategy

Let's Go to Vegas!
Prisoner's Dilemma
(Or how you spent a bad night on Dickson Street!)
Nash Equilibrium
A Beautiful Mind (There wasn't enough Econ in this Movie!)
Game Theory Strategies
The Price is Right

Chapter 15 and Appendix 15A Pricing Practices

Markup Pricing
Price Discrimination
Two – Part Pricing

We will cover the Following Chapters as Time Permits

Chapter 12 Monopoly and Monopsony

Monopoly Profit Maximization
Social Consequences of Monopoly
The Good, The Bad and The Ugly
Clint Eastwood Where Are You When We Need You Most?
Regulation of Monopoly
Single Buyer Markets
Monopsony

Chapter 13 Monopolistic Competition and Oligopoly

Mono Comp
Markets with Few Firms
Oligopoly
Price Strategies of Oligopolies
Cartels and Collusion

Point Scheme

Total Exam Points (3 x 300)	900
In-class Participations and Homework Projects	<u>100</u>
TOTAL POINTS	1000

GRADING SCALE:

- 900 – 1000 A** Proactive Learning Throughout the Course! Yea, Yea, Ooooooh Yea!
800 – 899 B Pretty good grade for good effort
700 – 799 C Cruising just a bit too much....
600 – 699 D “What class was this?”
Less than 600... “We Don’t Need No Education”, Pink Floyd

Special Note: You are graded on your performance and **NOT** your needs! If you need a particular grade then **YOU** should put out the effort necessary to accomplish that goal. I will help you all that I can during the semester but it is too late after the class is completed. **The time to be concerned about your grade is now, not early December!**

Bring to the Tests:

Your will need AS 100 Scantrons

Number 2 pencil for the objective questions

Black and various NON-RED colored ball point pens for the essay

*****An architectural style eraser (soft style)*****

***** It is your responsibility to mark and erase your answers appropriately*****

Tentative Test Dates: Test #1 Thursday, September 22

Test #2 Thurssday, October 27

Test #3 Thursday December 8

Tests will only be held until the end on the first week of the Spring 2012 semester.

Disclaimer

Subject matter and test dates may be changed at the discretion of the professor.

Homework will not be accepted late. You will have several days to prepare each homework assignment so make sure you get it done. In-Class participations cannot be made up.