

ECON 5110

Managerial Microeconomics

Semester: Fall 2019

Class time:

L3: 9:00am – 12:20pm

L4: 2:00pm – 5:20pm

Class dates: November 2, 16, 23, 30; December 1, 7, 14

Lecture room: LSK 2003

Course homepage:

L3: <https://canvas.ust.hk/courses/26911>

L4: <https://canvas.ust.hk/courses/26915>

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Please use email (instead of CANVAS) to reach me

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Office hours: open-door policy

Email is always a great way to reach me

TEXTBOOKS

Png: *Managerial Economics*, by Ivan Png, Pearson, Prentice Hall.

BDSS: *The Economics of Strategy*, 7th Edition, by David Besanko, David Dranove, Mark Shanley, and Scott Schaefer, Wiley.

OBJECTIVE

Managerial microeconomics is the science of allocating scarce resources in the management of a business or other organization. This course presents tools and concepts from managerial microeconomics that practicing managers can and do use. We will emphasize practical ideas, focus on application to business decision-making, integrate global business issues and practice, and provide conceptual rigor without mathematical complexity.

TEACHING APPROACH

This course is delivered through lectures and case discussions.

CLASSROOM ETIQUETTE

Students are expected to attend class regularly and on time, and to participate actively in class discussions. Common-sense classroom etiquette, such as turning off or silencing mobile phones during class time, is expected.

ACADEMIC INTEGRITY AND HONOR CODE

The HKUST Academic Integrity and Honor Code apply to this course. In particular, the assignments must be strictly your own work or your group's original work if it is a group project. You should not get any course material from the classes in previous years.

GRADING

There will be a final exam. No makeup exams will be given. The weights determining the course grade are as follows.

Class participation and contribution	10%
Individual homework assignments	10%
One group written case analysis	10%
One group simulation project	10%
One group presentation on pricing strategy	10%
Final exam	50%

COURSE OUTLINE

The chapters below are those of Ivan Png's *Managerial Economics*.

- Introduction (Chapter 1)
- Demand (Chapter 2)
- Elasticity (Chapter 3)
- Market Equilibrium (Chapter 5)
- Monopoly (Chapter 8)
- Pricing (Chapter 9)
- Strategic Thinking (Chapter 10)
- Oligopoly (Chapter 11)
- Asymmetric Information (Chapter 13)
- Incentives and Organization (Chapter 14)

Some or all of the following cases will be discussed.

- *The Medicines Company* (HBS)
- *Subsidies and the Global Cotton Trade* (Kellogg)
- *Hurricane Sandy* (HBS)
- *T-Mobile in 2013* (HBS)
- *Revitalizing Dell and Case Flash Forward* (HBS)
- *Enterprise Rent-A-Car* (Kellogg)
- *CNS Worldwide* (HBS)
- *Netflix* (Ivey)
- *Simulation on Universal Car Rental* (HBS)
- *Rural Taobao* (HBS)