

Managerial Economics



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Areas of Expertise:

- Comparative economics, applied econometrics, and macroeconomics
- Courses taught at KSE: Macroeconomics, Health Economics, Data analytics in R, BI and Visualizations in Power BI

Education:

P.D. in Economics, the University of Iowa (2010)

Professional Experience:

Research, consulting, and training

Course description:

We will start the course by reviewing the scope of managerial economics and some basic concepts (demand and supply, optimization techniques, NPV, opportunity costs etc.). Second, we will consider demand analysis: determinants of demands for goods and services, changes in tastes, the effects of demand elasticity on revenue maximization. We will also study how to estimate and, most importantly, forecast demand. Third, the focus will shift to production and cost analysis which helps to understand the supply side of the firm. Production and cost estimation are important tools in managerial decision making. Finally, we will study how different market structures – from perfect competition to monopoly – affect optimal decisions of firms. Game theory will then be applied to markets with a few players and strategic interdependence. Then we will consider different approaches to setting prices and types of price discrimination. We will close up the course with a discussion of a global view on managerial decision making.

Learning outcomes (course aims):

At the end of this course, a student should be able to:

- Discuss the basic principles of optimal managerial decision-making*
- Be familiar with techniques of cost-minimization and profit-maximization*
- Understand optimal price-setting under different market structures*
- Be able to perform break-even analysis*
- Apply game theory to business situations*

Course materials:

The materials include:

- The main textbook for Managerial Economics: Dominick Salvatore (any edition). Managerial economics in a global economy. Oxford University Press.*
- Additional (optional) textbooks: Other international textbooks on microeconomics.*
- Other readings: Articles from the Economist, Harvard Business Review and other professional publication will be assigned occasionally to keep up with the most recent economic issues and trends.*

Grading:

Your grade for the course will be based on the following distribution of points for each type of the assignment of the course below:

Managerial Economics:	%	Details
Attendance and participation	10	Presence in online class with a camera turned on and participation in group discussions

Mock midterm	5	30-minute individual online test to check knowledge midway through the course (open-book)
Assignments	35	Group quizzes and cases with 1 case having a weight of 2 quizzes
Final exam	50	60-minute final individual online test (open-book)

Comments: Your total grade for this course will be transformed into a letter grade using the following correspondence scheme:

Points	KSE Grading Scheme	Explanation
100	A+	Excellent
93-99	A	
91-92	A-	
88-90	B+	Good
79-87	B	
76-78	B-	
73-75	C+	Satisfactory
66-72	C	
60-65	C-	
0-59	F	Unsatisfactory

Course outline:

Class	Topics
MANAGERIAL ECONOMICS	
Sep, 19 th 7 – 9:50 pm	Introduction to Managerial economics. <i>Group Discussion: The role of Economics in the post-war recovery of Ukraine.</i>
Sep, 21 st 7 – 9:50 pm	Demand theory, Demand estimation and forecasting. <i>Ukrainian Case: “How Competera uses demand elasticity to help retailers earn more.”</i>
Sep, 26 th 7 – 9:50 pm	Production theory.
Sep, 28 th 7 – 9:50 pm	Cost theory and estimation. <i>Case “Hohner Musikinstrumente GmbH & Co. KG: Break-Even Analysis”</i>
Oct, 3 rd 7 – 9:50 pm	Market structure: Perfect competition.
Oct, 3 rd 7 – 9:50 pm	Market structure: Monopoly, monopolistic competition and oligopoly.
Oct, 5 th 7 – 9:50 pm	Game theory and strategic behavior. Pricing strategies.
Oct, 10 th 7 – 8 pm	Final exam

Attendance Policy

Students are expected to attend all class sessions except for serious illness or because of other unavoidable circumstances. In order to pass a course, a student should be present at no less than 2/3 of all classes in this course. Otherwise, the student automatically gets an F grade.

Academic Integrity

Academic integrity is submitting one's own work and properly acknowledging the contributions of others. Any violation of this principle constitutes academic dishonesty and is liable to result in a failing grade and disciplinary action.

