

MANAGERIAL ECONOMICS

Course code	<i>ECO107</i>
Compulsory in the programmes	<i>Economics and Data Analytics, Economics and Politics</i>
Level of studies	<i>Undergraduate</i>
Year of study	<i>3rd</i>
Semester	<i>5th semester</i>
Number of credits	<i>6 ECTS (48 in-class hours + 2 consultation hours + 2 exam hours + 108 individual work hours)</i>
Lecturer	<i>Dominyka Žiaukaitė</i>
Prerequisites	<i>Microeconomics</i>
Language of instruction	<i>English</i>

AIM OF THE COURSE

The first part of this course provides students with a more advanced approach to standard microeconomic analysis. We will discuss derivation of demand and supply curves in a more detailed manner as well as cover modelling of decision-making under uncertainty. The second part of the course is focused on the application of microeconomic reasoning in areas of special relevance to managerial decision-making. Topics will include firm behavior in settings with market power (output, pricing, market entry decisions), auctions, and settings with asymmetric information.

Subject Learning Outcome (SLO)	Study methods	Assessment methods
SLO1. Acquire a better understanding of model-based analytical methods and arguments in microeconomics	Lectures, seminars, individual work	Midterm exam, final exam
SLO2. Be able to identify the characteristics, scope and techniques of managerial economics	Lectures, seminars, individual work	Midterm exam, final exam
SLO3. Get familiar with basic game-theoretic models of industrial organization	Lectures, seminars, individual work	Midterm exam, final exam
SLO4. Be able to apply microeconomic reasoning to managerial decision-making	Lectures, seminars, individual work	Midterm exam, final exam
SLO5. Develop problem solving skills	Lectures, seminars, individual work	Midterm exam, final exam

ACADEMIC HONESTY AND INTEGRITY

The Code of Ethics of ISM University of Management and Economics is fully applicable and will be strictly enforced in this course. Academic dishonesty and cheating can and will lead to a report to the ISM Committee of Ethics.

COURSE OUTLINE

Week	Topic	In-class hours	Readings
1.	Topic 1: Introduction. Intermediate microeconomics: Consumer theory I	4	Ch 2, 3, 4, 5
2.	Topic 2: Intermediate microeconomics: Consumer theory II	4	Ch 6, 8, 15
3.	Topic 3: Intermediate microeconomics: Uncertainty	4	Ch 12
4.	Topic 4: Intermediate microeconomics: Producer theory I	4	Ch 18, 20, 21
5.	Topic 5: Intermediate microeconomics: Producer theory II	4	Ch 22, 23
6.	<i>Midterm exam</i>	2	
7.	Topic 6: Oligopoly models I	4	Ch 27
8.	Topic 7: Oligopoly models II	4	Ch 27
9.	Topic 8: Pricing with market power I	4	Ch 25
10.	Topic 9: Pricing with market power II	4	Ch 25
11.	Topic 10: Auctions	4	Ch 17
12.	Topic 11: Asymmetric information	4	Ch 37
	<i>Course review</i>	2	
	Total hours	48	
	CONSULTATIONS	2	
	FINAL EXAM	2	

FINAL GRADE COMPOSITION

Assignment	Topics	Final grade, %
<i>Group Components 0%</i>		
<i>Individual Components 100%</i>		
Midterm exam	1-5	40
Final exam	6-11	60
Total		100

Midterm exam. The midterm exam will be based on topics 1-5. Students will be asked to answer open-ended questions and solve problems. The midterm exam will account for 40% of the final grade.

Final exam. The final exam will be based on topics 6-11. Students will be asked to answer open-ended questions and solve problems. The final exam will account for 60% of the final grade.

Retake exam. After receiving a failing final cumulative grade, a student can take the retake exam. The retake exam will be based on all course material (topics 1-11). The retake exam will account for 100% of the final grade.

Recommended literature:

- Varian, H.R. (2010). *Intermediate microeconomics: A modern approach*. United States: Norton. (Relevant chapters are indicated in the course outline)
- Pindyck R.S., & Rubinfeld D.L. (2015). *Microeconomics*. United States: Pearson Education.

Information on additional literature, if any, will be given during the course.