

## **COURSE SPECIFICATION DOCUMENT**

**NOTE:** ANY CHANGES TO A CSD MUST GO THROUGH ALL OF THE RELEVANT APPROVAL PROCESSES, INCLUDING LTPC.

<b>Academic School/Department:</b>	Business and Economics
<b>Programme:</b>	BA (Hons) Economics with Combined Studies BA (Hons) Business Administration with Combined Studies
<b>FHEQ Level:</b>	5
<b>Course Title:</b>	Managerial Economics
<b>Course Code:</b>	ECN 5400
<b>Course Leader:</b>	Nick Wilkinson
<b>Student Engagement Hours:</b>	<b>120</b>
Lectures:	30
Seminar / Tutorials:	15
Independent / Guided Learning:	75
<b>Semester:</b>	Fall/Spring/Summer
<b>Credits:</b>	12 UK CATS credits 6 ECTS credits 3 US credits

### **Course Description:**

This Course involves the application of microeconomic decision tools to managerial problems of the firm. Objectives and the determinants of those objectives are studied, including profit, demand, production and cost analysis. Specific topics include managerial decision-making, decision theory, break-even analysis, and price determination.

**Prerequisites:** ECN 4105, ECN 4110, MTH 4120, MTH 4110

### **Aims and Objectives:**

This Course enables students to:

1. Develop the student's understanding of microeconomic principles and analytical tools.
2. Apply the above methods to the type of problems that frequently arise in managing business enterprises.

### **Programme Outcomes**

A1, A2, A3, A4, A5  
B1, B2, B3

C1, C3, C6,  
D

A detailed list of the programme outcomes are found in the Programme Specification.  
This is located at the Departmental/Schools page of the portal.

### **Learning Outcomes:**

#### **Subject knowledge and understanding:**

Upon completion of this course, a successful student should be able to

1. Demonstrate an understanding of the nature of the firm, its objectives, and problems related to profit maximization such as the agency theory, transactions costs, and risk and uncertainty.
2. Explain the factors affecting the demand for products, and the operation of these factors.
3. Illustrate an understanding of relationships between output and costs, and the factors underlying these relationships in both the short and long run, including diminishing returns and economies/diseconomies of scale.
4. Show an understanding of market structure and its implications for different industries in terms of size of firm, pricing and other business practices.
5. Apply the principles of microeconomics to managerial problems.

#### **Subject-Specific Skills**

1. Analyze production functions and their underlying mathematical basis.
2. Apply abstract economic models.
3. Demonstrate an understanding of cost-volume-profit analysis and its implications.
4. Develop an understanding of the theoretical pricing model and its assumptions.

#### **Other Skills**

1. Analyze and interpret demand relationships in terms of elasticity and marginal effects.
2. Analyze and interpret cost relationships in terms of efficiency, and the implications for output.
3. Solve problems involving demand elasticities.
4. Apply the concept of break-even output and determine cost and output relationships using mathematical analysis.
5. Solve pricing problems given demand and cost data or functions.

#### **Numeracy**

1. Determine appropriate methods for addressing quantitative decision-making problems.
2. Apply regression analysis to empirical data to estimate demand and cost functions.

#### **Indicative Content:**

1. The theory of the firm, and the implications of agency problems, risk and uncertainty.
2. Demand theory, elasticity and its applications.
3. Demand estimation, regression analysis.

4. Production theory.
5. Cost theory
6. Market structure and pricing

**Assessment:**

This course conforms to the Richmond University Standard Assessment Norms approved at Academic Council on June 28, 2012.

**Teaching Methodology:**

The course is taught using a variety of methods including lectures, question sessions, directed and undirected reading, case studies, group work, and discussions.

**Bibliography:**

Salvatore, D., 2011. *Managerial Economics in a Global Economy*. Oxford: Oxford University Press.

Wilkinson, N., 2005. *Managerial Economics: A Problem-Solving Approach*. Cambridge, UK: Cambridge University Press.

**Journals**

American Economic Review  
Economic Journal  
Journal of Economic Perspectives

**Web Sites**

The Economist ([www.economist.com](http://www.economist.com))  
The Financial Times ([www.ft.com](http://www.ft.com))

*Please Note: The core and the reference texts will be reviewed at the time of designing the semester syllabus*

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Change Log for this CSD:

Major or Minor Change?	Nature of Change	Date Approved & Approval Body (School or LTPC)	Change Actioned by Academic Registry