

UNIVERSITY OF FLORIDA
DEPARTMENT OF ECONOMICS
ECP 5702
Managerial Economics

Fall 2016

Instructor: Elias Dinopoulos
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Office Hours: Tuesday 1:40 p.m. – 2:40 p.m., also by appointment.
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Course Description: This class will focus on the decision-making process of business executives. It provides a comprehensive treatment of economic principles used explicitly or implicitly in determining the behavior of consumers and firms. The course is theory based but practice oriented. Business decisions often require numerical solutions, and therefore algebraic, geometric and game theoretic techniques will be developed and used. Analytical insights will be applied to cases. The class will address several basic questions including the following: What are the determinants of firm size? What are the determinants of business leadership? Why some industries are profitable and some are not? How do strategic decisions affect market equilibrium and competitive advantage? What is the best way to deal with actual and potential competitors? How can an incumbent firm influence the entry and exit process?

Grades: There will be comprehensive final exam counting 100% of the grade. In addition, there will be extra-credit (attendance-based) class assignments. More information in regards to these assignments will be provided in class. The following distribution will be used to translate numerical scores into letter grades.

Grade Distribution

Numerical Score Range	Letter Grade
95.00 – 100.00	A
88.00 – 94.99	A-
80.00 – 87.99	B+
70.00 – 79.99	B
60.00 – 69.99	B-
50.00 – 59.99	C+
40.00 – 49.99	C
30.00 – 39.99	C-

Exam date: Tuesday, October 11, 2016, 6:15-8:15 pm. The exam room will be announced in class. Exam is closed book, closed notes, no phone use, and no computer use. Calculators (no phone calculators though) are allowed.

Reading Materials: The textbook is *Economics of Strategy*, David Besanko, David Dranove, Mark Shanley, Scott Schaefer, Sixth Edition, 2013, John Wiley & Sons, designated below as *Besanko et al.* Moreover, a binder containing lecture notes is available from Target. Additional readings including class assignments and various handouts will be distributed in class or posted in Canvas.

Electronic Communication: There is a class web site in Canvas which will serve as the electronic communication platform for this class.

COURSE OUTLINE

1. Economic Foundations and Principles

Besanko et al., Economics Primer: Basic Principles.

Besanko et al., Chapter 2 : The Horizontal Boundaries of the Firm.

2. The Market Environment of Business Decisions

Besanko et al., Chapter 5: Competitors and Competition.

3. Strategic Interactions

Besanko et al., Chapter 9: Strategic Positioning for Competitive Advantage

Besanko et al., Chapter 8: Industry Analysis.

Besanko et al., Chapter 6: Entry and Exit