APPLIES TO ACADEMIC YEAR 2009/2010

GRA 8066 Managerial Economics

Programme
Executive Master of Business Administration (EMBA) in Energy Management

Responsible for the course

Department
Department of Economics

Term
According to study plan

ECTS Credits
4

Language of instruction
English

Introduction
The objective of this course is to illustrate some of the central decision problems managers face and to provide the economic analysis they need to guide these decisions. The basic framework is how rational economic actors behave and interact - under various market arrangements - to determine the price-and output constellations we observe in " the real world". particular emphasis will be placed on the strategic considerations of profit maximizing business firms - for instance in regard to their decisions concerning advertising,product differentiation and entry/exit in an industry.

Learning outcome

Most business decisions will benefit from being evaluated with a firm grasp of the equilibrium response in the market.It is often said that a business manager neglects market forces" only at his peril" - this course will try to minimize these kinds of mistakes. The ambition of this course is to develop in the students an intuitive and also analytical feeling for the workings of the market mechanism.In the last 20 years attention has been directed more and more towards a business managers strategic decisions, by which we mean decisions in situations where there are interactions between rational economic actors; actors which may all be smart , clever, energetic and well informed.What is called game theory offers a scientific approach to strategic decision-making of this kind, and game theory will accordingly play a role in this course as a theoretical model to approach the solutions of real-world problems.

Prerequisites
EMBA, general prerequisites

Compulsory reading
Books:
Samuelson, William F. and Spephen G. Marks. 2009. Managerial economics. 6th ed. Hoboken, N.J. : Wiley. Selected parts

Recommended reading

Course outline
- Optimal decisions and marginal analysis
- Production and the theory of the firm
- Costs and supply
- Perfect competition and monopoly
- Oligopoly
- Game theory and interdependent decisions

Computer-based tools

None

Learning process and workload
The course is "problem based", but will follow carefully the chosen textbook by Samuelson and Marks.Chapters 2,3,6,7,10,11,12 and 13 in the textbook are essential to the course. In addition will the understanding of the basic priciples be enhanced by working through some selected cases. The teaching methods will be class-based lectures, with inputs from the students based on their prepared readings of the textbook.

Examination
Two hand-ins, one by the groups, one individually, where each accounts for 50%.

Exam code(s)
GRA 80661 - Process evaluation; accounts for 100 % to pass the program GRA 8066, 4 ECTS credits

The course is a part of a full Executive Master of Business Administration Program in Energy Management and all evaluations must be passed to obtain a certificate for the degree.

Examination support materials

Re-sit examination
Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must me re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

Additional information