



APPLIES TO ACADEMIC YEAR 2013/2014

## **GRA 8066 Managerial Economics**

### **Programme**

Executive MBA 2013/2014 - Core courses

### **Responsible for the course**

Erling Røed Larsen

### **Department**

Department of Economics

### **Term**

According to study plan

### **ECTS Credits**

4

### **Language of instruction**

English

### **Introduction**

Economics is the study of allocation of scarce resources, and how economies use markets, prices, and coordination mechanisms to do so. In this course, we emphasize market theory, a study of monopoly and oligopoly, and the implementation of strategies.

### **Learning outcome**

The purpose of this course is to study the behaviour of rational economic agents in order to understand how their interaction – under various market arrangements – 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, vertical integration and entry/exit in an industry. Most business decisions will benefit from being evaluated with a firm grasp of the equilibrium response in the market. 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**

Granted admission to the EMBA programme.

### **Compulsory reading**

#### **Books:**

Samuelson, William F. and Stephen G. Marks. 2011. Managerial economics. 6th ed. Hoboken, N.J. : Wiley.  
Selected parts

### **Recommended reading**

#### **Course outline**

- Demand, supply and the market
  - The theory of the firm
  - Costs and supply
  - Perfect competition and monopoly
  - Market structure
- Game theory and interdependent decisions

### **Computer-based tools**

None

### **Learning process and workload**

1 ECTS credit corresponds to a workload of 26-30 hours.

Chapters 2, 3, 5, 6, 7, 8, 9 and 10 in the textbook are essential to the course. In addition will the understanding of the basic

principles 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.

Attendance to all sessions in the course is compulsory. If you have to miss part(s) of the course you must ask in advance for leave of absence. More than 20% absence in a course will require retaking the entire course. It's the student's own responsibility to obtain any information provided in class that is not included on the course homepage/ It's learning or other course materials

**Examination**

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

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

**Examination code(s)**

GRA 80661 - Continuous assessment; accounts for 100 % to pass the course GRA 8066, 4 ECTS credits

The course is a part of a full Executive Master of Business Administration Program 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 continuous assessment, the whole course must be re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

**Additional information**