



APPLIES TO ACADEMIC YEAR 2015/2016

## **GRA 8129 Managerial Economics**

### **Programme**

Executive Master of Management in Energy (EMME)

### **Responsible for the course**

Erling Røed Larsen

### **Department**

Department of Economics

### **Term**

According to study plan

### **ECTS Credits**

3

### **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 on how much to produce and what prices to set given the type of competition in the market where the firm operates.

### **Learning outcome**

The ambition of this course is to develop in the participants an understanding and also an intuitive feeling for how business managers can find optimal strategies under various competitive frameworks. We will in particular stress the importance of the concept of market equilibrium – 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 prepare participants to minimize such mistakes.

### **Prerequisites**

Granted admission to the Executive Master of Management in Energy Management programme.

### **Compulsory reading**

#### **Books:**

Samuelson, William F. and Stephen G. Marks. 2009. Managerial Economics. 6th ed. Hoboken, N.J. : Wiley.  
Selected parts

### **Recommended reading**

#### **Course outline**

- What is managerial economics
- The concept of the private profit-maximizing firm
- Marginal analysis
- Demand analysis
- Production theory
- Costs concepts
- Optimal decisions and marginal analysis
- Perfect competition
- Monopoly

### **Computer-based tools**

It's Learning

### **Learning process and workload**

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

The course is conducted as a teaching module, with a total of 15 hours

The course is "problem based", but will follow carefully the chosen textbook by Samuelson and Marks, chapters 2,3,5,6,7, and 8 in the textbook are essential to the course.

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**

The course evaluation will be based on:

Individual Written hand-in.

The deadline for delivery of the individual hand- in is announced at the last lecture.

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 81291 - Individual assignment; accounts for 100 % to pass the program GRA 8129, 3 ECTS credits

The course is a part of the Executive Master of Management in Energy ( EMME ) 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 be re-evaluated when a student wants to retake a exam. Retake examinations entail an extra examination fee.

### **Additional information**