

COURSE NAME: Demand and Price Analysis

COURSE NUMBER: 11:373:422:01

SEMESTER: Spring 2019

MEETING DAYS, TIMES, AND PLACE: M, TH 9:15 – 10:35am; CDL 103

CONTACT INFORMATION:

Instructor(s): Dr. Basanta Chaudhuri

Office Location: Cook Office Building, Room 117

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Office Hours: Mon 10:45-11:30 AM and Wed 9:00-10:30 AM and by appointment

COURSE WEBSITE, RESOURCES AND MATERIALS:

- **Managerial Economics: Theory, Applications, and Cases** W. Bruce Allen, Neil Doherty, Edwin Mansfield, ET AL. 8th Edition WW. Norton & Company, Inc., ISBN: 978-0393912777
- **The Study Guide** is designed to emphasize the main points of the readings and to provide problems to help reinforce the lessons. It is STRONGLY recommended that you use the Study Guide.

COURSE DESCRIPTION:

The business environment in this 21st century is driven by global competition, quality of products, technological change, and the flexibility of organizations. In our rapidly changing world, the diverse fields of decision making have much to offer in preparing tomorrow's managers.

LEARNING GOALS:

In this class, students will learn:

1. Basic economic concepts such Demand and Supply analysis and their applications.
2. The concept of elasticity to understand pricing policy and market
3. The consumer behavior with respect to rational choices
4. The behavior of firms in alternative market structures such as perfect competition, monopoly, monopolistic competition and oligopoly.
5. The basic of game theory to understand how firms and individuals interact between each other.
6. Auction and Risk analysis

ASSIGNMENTS/RESPONSIBILITIES, GRADING & ASSESSMENT:

There are three examinations: Two Midterms and one final. Exams will consist of **multiple-choice questions**. Occasionally open-ended short answer questions may be assigned in class for extra credits. **Exams are not cumulative**, but they are related to each other.

Grading is based on the university standard grading system. Three exams and Problem Sets (Assignments) will have the following distribution of weights:

First Exam 25%

Second Exam 25%

Final Exam 30%

Problem Sets 20%

The textbook contains a very good set of problems. You should work out all of them. These problems are a guide for your learning and you will be held responsible for understanding their content. The problems I consider most important are contained in the attachment list. This does not mean that you should not work through the other

problems, only that I think these will be of the greatest value at the margin. I strongly suggest that you do all the problems in the Study Guide in the relevant chapters. I also strongly suggest that you do not look at the answers until you have spent several days working out a problem. If you "cheat", the exercise will prove of no value to you.

Problem Set assignments: Submit all completed problem sets w/n due dates (to be announced in class) to avoid penalty. Hard copy must be submitted in class. No electronic submission will be accepted.

Chapter 1 #s 3, 4, 5, 7
Chapter 2 #s 1, 2, 3, 5, 7, 9
Chapter 3 #s 1, 2, 4, 7, 8, 10
Chapter 5 #s 1, 2, 3, 5, 7
Chapter 6 #s 1, 3, 4, 6, 7(parts a and b), 9
Chapter 7 #s 1, 2, 4, 6
Chapter 8 #s 1, 3, 4
Chapter 9 #s 1, 2, 3
Chapter 10 #s (will be assigned in class)
Chapter 11 #s 1, 2, 4
Chapter 12 #s 1, 2, 4
Chapter 13 #s (will be assigned in class)
Chapter 14 #s 1, 3, 4
Chapter 15 #s (will be assigned in class)
Chapter 16 #s (will be assigned in class)

Grades will be posted on "Sakai Gradebook" and/or "PostEm": <https://sakai.rutgers.edu/portal> a week after the test.

For the course information, announcements, and practice test questions please visit Sakai: sakai.rutgers.edu

Make-up Exam Policy:

There will be **NO opportunity to MAKE UP** an exam unless you have a valid/documented excuse. If you miss an exam, you will receive a grade zero for that exam.

There are **NO EXTRA-CREDIT** assignments. Plan to do well on the required material. If a need warrants curving the grades, it will be considered on the overall grades.

Grades **will not be given** via e-mail. No exceptions.

For all the course information and documents, please visit the "sakai"

Examination Rules:

Only pencils (No 2), pens, erasers, pencil sharpeners, and a calculator (you must have and use your own calculator) should be on your desk. You are best off not bringing anything else to the exam. If you do, put it in a bag under your seat. A note about the calculator: You are allowed to use just a standard calculator. You are NOT permitted to use either cell phone calculator or any calculator on an electronic/digital device with wireless messaging function.

ACCOMODATIONS FOR STUDENTS WITH DISABILITIES

Please follow the procedures outlined at <https://ods.rutgers.edu/students/registration-form>. Full policies and procedures are at <https://ods.rutgers.edu/>

Enter additional text here if you wish

ABSENCE POLICY

Students are expected to attend all classes; if you expect to miss one or two classes, please use the University absence reporting website <https://sims.rutgers.edu/ssra/> to indicate the date and reason for your absence. An email is automatically sent to me.

Above is suggested text. Can be deleted. To edit, cut and paste elsewhere. Add your personal or dept's policies here

COURSE SCHEDULE:

Lecture Topics:

The following is a list of lecture topics. On some, I will go into detail, others I will mention in passing. I will follow the order below:

Part I: The Need for a Guide

Chapter 1 - Introduction

Part II: The Nature of Markets

Chapter 2 - Demand Theory

Chapter 3 - Consumer Behavior and Rational Choice

Part III: Production and Cost

Chapter 5 - Production Theory

Chapter 6 - The Analysis of Costs

First Exam:

Part IV: Market Structure

Chapter 7 - Perfect Competition

Chapter 8 - Monopoly and Monopolistic Competition

Part V: Sophisticated Market Pricing

Chapter 9 - The Managerial Use of Price Discrimination

Chapter 10 - Bundling and Intra-firm Pricing

Chapter 11- Oligopoly

SPRING RECESS (3rd week of March)

Second Exam:

Part VI: The Strategic World of Managers

Chapter 12 - Game Theory

Chapter 13 - Auctions

Part VII: The Asymmetry of Managerial Life

Chapter 14 - Risk Analysis

Chapter 15 - Principle-Agent Issues and Managerial Compensation

Chapter 16 - Adverse Selection

Chapter 17 - Government-Business Relations and the Global Market

Reading Day(s)

Final Exam:

FINAL EXAM/PAPER DATE AND TIME

Online Final exam Schedule: <http://finalexams.rutgers.edu/>

ACADEMIC INTEGRITY

I would like to remind everyone that the department or the university would not tolerate violations of the university code of academic integrity, including plagiarism and cheating. Such violations are harmful to everyone and only serve to poison the atmosphere of openness and mutual trust on which an academic department depends. If there any questions regarding the integrity code, please refer to the graduate school pamphlet dealing specifically with these matters.

The university's policy on Academic Integrity is available at <http://academicintegrity.rutgers.edu/academic-integrity-policy>. The principles of academic integrity require that a student:

- properly acknowledge and cite all use of the ideas, results, or words of others.
- properly acknowledge all contributors to a given piece of work.
- make sure that all work submitted as his or her own in a course or other academic activity is produced without the aid of impermissible materials or impermissible collaboration.
- obtain all data or results by ethical means and report them accurately without suppressing any results inconsistent with his or her interpretation or conclusions.
- treat all other students in an ethical manner, respecting their integrity and right to pursue their educational goals without interference. This requires that a student neither facilitate academic dishonesty by others nor obstruct their academic progress.
- uphold the canons of the ethical or professional code of the profession for which he or she is preparing.

Adherence to these principles is necessary in order to ensure that

- everyone is given proper credit for his or her ideas, words, results, and other scholarly accomplishments.
- all student work is fairly evaluated and no student has an inappropriate advantage over others.
- the academic and ethical development of all students is fostered.
- the reputation of the University for integrity in its teaching, research, and scholarship is maintained and enhanced.

Failure to uphold these principles of academic integrity threatens both the reputation of the University and the value of the degrees awarded to its students. Every member of the University community therefore bears a responsibility for ensuring that the highest standards of academic integrity are upheld.

STUDENT WELLNESS SERVICES

Just In Case Web App <http://codu.co/cee05e>

Access helpful mental health information and resources for yourself or a friend in a mental health crisis on your smartphone or tablet and easily contact CAPS or RUPD.

Counseling, ADAP & Psychiatric Services (CAPS)

(848) 932-7884 / 17 Senior Street, New Brunswick, NJ 08901 / www.rhscaps.rutgers.edu/

CAPS is a University mental health support service that includes counseling, alcohol and other drug assistance, and psychiatric services staffed by a team of professional within Rutgers Health services to support students' efforts to succeed at Rutgers University. CAPS offers a variety of services that include: individual therapy, group therapy and workshops, crisis intervention, referral to specialists in the community and consultation and collaboration with campus partners.

Violence Prevention & Victim Assistance (VPVA)

(848) 932-1181 / 3 Bartlett Street, New Brunswick, NJ 08901 / www.vpva.rutgers.edu/

The Office for Violence Prevention and Victim Assistance provides confidential crisis intervention, counseling and advocacy for victims of sexual and relationship violence and stalking to students, staff and faculty. To reach staff during office hours when the university is open or to reach an advocate after hours, call 848-932-1181.

Disability Services

(848) 445-6800 / Lucy Stone Hall, Suite A145, Livingston Campus, 54 Joyce Kilmer Avenue, Piscataway, NJ 08854 / <https://ods.rutgers.edu/>

Rutgers University welcomes students with disabilities into all of the University's educational programs. In order to receive consideration for reasonable accommodations, a student with a disability must contact the appropriate disability services office at the campus where you are officially enrolled, participate in an intake interview, and provide documentation: <https://ods.rutgers.edu/students/documentation-guidelines>. If the documentation supports your request for reasonable accommodations, your campus's disability services office will provide you with a Letter of Accommodations. Please share this letter with your instructors and discuss the accommodations with them as early in your courses as possible. To begin this process, please complete the Registration form on the ODS web site at: <https://ods.rutgers.edu/students/registration-form>.

Scarlet Listeners

(732) 247-5555 / <https://rutgers.campuslabs.com/engage/organization/scarletlisteners>

Free and confidential peer counseling and referral hotline, providing a comforting and supportive safe space.