

### COURSE INFORMATION

Course title:	Foundations of Managerial Economics		
Course code:	IMBA BAPA 550	Credits:	1.5
Session, term, period:	2021S1	Class location:	Zoom – see Canvas site for details
Section(s):	820	Class times:	Vancouver time: May 14 (Fri) 5pm – 11:30pm May 15 (Sat) 5pm – 11:30pm May 21 (Fri) 5pm – 11:30pm Shanghai time: May 15 (Sat) 8am – 2:30pm May 16 (Sun) 8am – 2:30pm May 22 (Sat) 8am – 2:30pm
Course duration:	May 14 to 21, 2021 (Vancouver time)	Pre-requisites:	n/a
Division:	Strategy and Business Economics	Co-requisites:	n/a
Program:	International MBA		

### INSTRUCTOR INFORMATION

Instructor:	Anming Zhang, Professor		
Phone:	604- 822-8420	Office location:	Zoom – see Canvas site for details
Email:	anming.zhang@sauder.ubc.ca	Office hours:	Vancouver time: May 17 and May 31: 7am – 8:30am (PDT) Shanghai time: May 18, June 1: 10pm – 11:30pm

### COURSE DESCRIPTION

This course will develop the economic foundations of managerial decision making. It deals with issues that have a profound impact on the success of organizations producing goods or delivering services. Students will learn about, among others, how the price of a product or service is determined, the demand-supply model, concepts and models related to market structure, product/service pricing with market power, strategic thinking and business strategy, incentives and organization design, decision making under uncertainty, government policy towards business (including issues related to externality and asymmetric information). Due to the broad nature of the subject, we will focus on the application of concepts and models to managerial decision making that enables an organization to achieve a competitive advantage vis-à-vis its regional/global competitors. Case studies will be conducted, and the applications and examples related to China will be discussed.

### COURSE FORMAT

Class meetings will consist of a combination of lectures, discussions, exercises, and other activities. I will also leave an assignment (a set of problems) for you to complete after the module ends.

### LEARNING OBJECTIVES

By the end of this course, students will be able to:

1. Describe how the price of a product or service is determined.
2. Master the demand-supply model.
3. Explain the concepts and models related to market structure.
4. Analyze product/service pricing with market power.
5. Learn the strategic thinking and business strategy, incentives and organization design.
6. Be able to make decisions under uncertainty.
7. Explain government policy towards business (including issues related to externality and asymmetric information).

### ASSESSMENTS

#### Summary

<u>Component</u>	<u>Weight</u>
Presentations/Assignments	30%
Final exam	50%
Class participation	<u>20%</u>
Total	<u>100%</u>

#### Details of Presentation/Assessments

- (1) There will be a group-based presentation, with each group consisting of 4 students. I'll talk about the presentation in more detail during our first meeting.
- (2) I will leave an assignment for you to complete after the first week ends. This is a group-based, written (a set of problems) assignment, with the same group as your presentation team.
- (3) It is also important for your development as a business professional that you be able to verbalize your thoughts and understanding. You will be awarded 20% for actively and constructively contributing to class discussions.
- (4) The final exam takes place on June 4, 2021 (Vancouver time)/June 5, 2021 (Shanghai time). Its format and coverage will be indicated in the last class (May 21, 2021).

### LEARNING MATERIALS

Required:

- Managerial Economics and Strategy – Global Edition (2nd ed., December 2017) by James A. Brander and Jeffrey M. Perloff.
- Class notes distributed prior to the meetings.

### COURSE-SPECIFIC POLICIES AND RESOURCES

#### Missed or late assignments, and regrading of assessments

Late submissions will not be accepted and will receive a grade of zero.

#### Academic Concessions

If extenuating circumstances arise, please contact the RHL Graduate School program office as early as reasonably possible, and submit an [Academic Concession Request & Declaration Form](https://webforms.sauder.ubc.ca/academic-concession-rhlee) <https://webforms.sauder.ubc.ca/academic-concession-rhlee>. If an academic concession is granted

during the course, the student will be provided options by RHL, or by the instructor in consultation with RHL, per [UBC's policy on Academic Concession](#).

### POLICIES APPLICABLE TO COURSES IN THE ROBERT H. LEE GRADUATE SCHOOL

#### *Attendance*

Excepting extenuating circumstances, students are expected to attend 100% of their scheduled class hours. Absent students limit their own academic potential, and that of their classmates, and cause unnecessary disruption to the learning environment. Students missing more than 20% of the total scheduled class hours for a course (including classes held during the add/drop period) without having received an academic concession will be withdrawn from that course. Withdrawals, depending on timing, could result in a "W" or an "F" standing on the transcript.

#### *Punctuality*

Students are expected to arrive for classes and activities on time and fully prepared to engage. Late arrivals may be refused entry at the discretion of the instructor or activity lead. Students arriving later than halfway through a scheduled class will be treated as absent for that class.

#### *Electronic Devices*

During online lectures, students are not permitted to use any electronic devices other than the primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom should be open during the online lecture unless an instructor advises the use of another program/website for an in-class activity. Feedback from students indicates that personal devices are the number one distraction from effective learning and participation in the online learning environment.

#### *Citation Style*

Please use the American Psychological Association (APA) reference style to cite your sources.

Details of the above policies and other RHL Policies are available at:

<http://www.calendar.ubc.ca/vancouver/index.cfm?tree=12,199,506,1625>

### UNIVERSITY POLICIES AND RESOURCES

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

#### *Respect for Equity, Diversity, and Inclusion*

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

### *Academic Freedom and Students Studying from Outside Canada*

During this pandemic, the shift to online learning has greatly altered teaching and studying at UBC, including changes to health and safety considerations. Keep in mind that some UBC courses might cover topics that are censored or considered illegal by non-Canadian governments. This may include, but is not limited to, human rights, representative government, defamation, obscenity, gender or sexuality, and historical or current geopolitical controversies. If you are a student living abroad, you will be subject to the laws of your local jurisdiction, and your local authorities might limit your access to course material or take punitive action against you. UBC is strongly committed to academic freedom, but has no control over foreign authorities (please visit <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,33,86,0> for an articulation of the values of the University conveyed in the Senate Statement on Academic Freedom). Thus, we recognize that students will have legitimate reason to exercise caution in studying certain subjects. If you have concerns regarding your personal situation, consider postponing taking a course with manifest risks, until you are back on campus or reach out to your academic advisor to find substitute courses. For further information and support, please visit: <http://academic.ubc.ca/support-resources/freedom-expression>

### **COPYRIGHT**

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline and could be subject to legal action. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial. Further, audio or video recording of classes are not permitted without the prior consent of the instructor. Students may not share class Zoom links or invite others who are not registered to view sessions.

### **ACKNOWLEDGEMENT**

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the x<sup>w</sup>məθk<sup>w</sup>əyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

**ONLINE TEACHING TOOL & REQUIREMENTS**

This course will be taught using Zoom for synchronous classes and office hours.

For this course, you are required to use a Zoom account during synchronous classes and office hours.

To help replicate the classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are required to have their cameras on during Zoom sessions. Students who require an accommodation with regard to the “camera on” requirement must contact their instructors in advance of the first class to discuss options. As professional graduate students, students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in business casual dress (at a minimum), and participating from a quiet environment. Content from synchronous sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

**COURSE SCHEDULE**

(Subject to change with class consultation)

Class	Synchronous Or Asynchronous	Date (Vancouver time)	Date (Shanghai time)	Topic	Readings or Activities	Assessments due
1		<b>May 14</b> (will also cover Part of Lecture 2, May 15)	<b>May 15</b> (will also cover Part of Lecture 2, May 16)	<b>Lecture 1: Introduction to Managerial Economics; Demand-Supply Analysis; Competitive Market and Economic Efficiency</b>	Required: Chapters 1 and 2  Recommended: Chapters 3 and 8	<b>Pre-course reading:</b> Chapters 1 and 2
2		<b>May 15</b> Part I	<b>May 16</b> Part I	<b>Lecture 2: Productions and Cost Analysis; Firm Organization and Market Structure; Pricing with Market Power</b>	Partially required: Chapters 5 and 6 Required: Chapter 10 Recommended: Chapters 7, 9, and 11	
3		<b>May 15</b> Part II	<b>May 16</b> Part II	<b>Lecture 3: Game Theory; Business Strategy</b>	Required: Chapters 12 and 13	
4		<b>May 21</b> Part I	<b>May 22</b> Part I	<b>Lecture 4: Managerial Decision Making Under Uncertainty; Asymmetric Information;</b>	Required: Chapters 14 and 15	

				<b>Incentives and Organization</b>		
5		<b>May 21 Part II</b>	<b>May 22 Part II</b>	<u>Lecture 5:</u> <b>Government and Business;</b> Global Business; Course Review	Required: Chapter 16  Recommended: Chapter 17	<b>Take-home Written Assignment</b>