

Managerial Economics

Course : **Managerial Economics**
Grade : 3rd Semester (Odd Semester 2022/2023)
Credits : 3 (150/meeting, 16 meetings in 1 semester)
Instructor : Dr. Bagus Wiranatakusuma, S.E., M.Ec (dimas_kusuma@umy.ac.id)

Description :

Managerial economics is a branch of economics which deals with the application of the economic concepts, theories, tools, and methodologies to solve practical problems in a business these business decisions not only affect daily decisions, also affects the economic power of long-term planning decisions, its theory is mainly around the demand, production, cost, market and so on several factors. In other words, managerial economics is a combination of economics theory and managerial theory. It helps the manager in decision-making and acts as a link between practice and theory. It is sometimes referred to as business economics and is a branch of economics that applies microeconomic analysis to decision methods of businesses or other management units.

As such, it bridges economic theory and economics in practice. It draws heavily from quantitative techniques such as regression analysis, correlation and calculus. If there is a unifying theme that runs through most of managerial economics, it is the attempt to optimize business decisions given the firm's objectives and given constraints imposed by scarcity, for example through the use of operations research, mathematical programming, game theory for strategic decisions, and other computational methods.

The Course Features

Students will be able to:

- Explain the fundamental of economic managerial and the elasticity of demand and supply which relates to total revenue.
- Calculate the profit –maximizing price and output.
- Analyze the condition for contestable, ramifications for market power and the sustainability of long-run profits.
- Manage why networks often lead to first-mover advantages and how to use strategies such as penetration pricing to favorably change the strategic environment.

Reference :

- MANAGERIAL ECONOMICS and BUSINESS STRATEGY, Tenth Edition, MICHAEL R. BAYE / JEFFREY T. PRINCE. McGraw Hill LLC, 2022
- Managerial Economics, A Problem-Solving Approach - Nick Wilkinson, Cambridge
- Managerial Economics and Financial Analysis, Prof. M.S. BHAT and A.V. RAU, BS Publications, 2008
- MANAGERIAL ECONOMICS Seventh Edition, William F. Samuelson and Stephen G. Marks, JOHN WILEY & SONS, INC.

Assessment :

- Competency Test I 20%; Competency Test II 20%,
- Competency Test III 30%
- Assignments 25 %
- Attendance 5 %
- **Total 100%**

Syllabus

Week	Course Material
Week 1	Introduction Syllabus Overview of The Book
Week 2	The Fundamentals of Managerial Economics
Week 3	Market Forces: Demand and Supply
Week 4	Quantitative Demand Analysis
Week 5	The Theory of Individual Behavior
Week 6	Competency Test I
Week 7	The Production Process and Costs
Week 8	The Organization of the Firm
Week 9	The Nature of Industry
Week 10	Managing in Competitive, Monopolistic, and Monopolistically Competitive Markets
Week 11	Competency Test II
Week 12	Basic Oligopoly Models
Week 13	Game Theory: Inside Oligopoly
Week 14	Pricing Strategies for Firms with Market Power
Week 15	The Economics of Information
Week 16	Competency Test III