

Managerial Economics

Module Code: DLMBME-01

| | | | | |
|--------------------------------------|---------------------------------------|---------------------------|----------------|----------------------------------|
| Module Type see curriculum | Admission Requirements None | Study Level MBA | CP 5 | Student Workload 150 h |
|--------------------------------------|---------------------------------------|---------------------------|----------------|----------------------------------|

| | | | |
|------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------------------------------|
| Semester / Term see curriculum | Duration Minimum 1 semester | Regularly offered in WiSe/SoSe | Language of Instruction and Examination English |
|------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------------------------------|

Module Coordinator

Sascha Benk (Managerial Economics)

Contributing Courses to Module

- Managerial Economics (DLMBME01-01)

Module Exam Type

Module Exam

Study Format: Distance Learning
Exam, 90 Minutes

Study Format: myStudies
Exam, 90 Minutes

Split Exam

Weight of Module

see curriculum

Module Contents

- The nature of managerial economics
- Market forces: Demand and supply
- Market structures and competition
- Strategy analysis and decision-making

Learning Outcomes**Managerial Economics**

On successful completion, students will be able to

- Define the scope of managerial economics and describe its contribution to both entrepreneurial decision-making and economic theory at large.
- Identify and interpret various macroeconomic indicators and analyze the role of macroeconomic factors in shaping governmental and central bank policies.
- Calculate various elasticities of demand and accurately estimate future demand using regression analysis.
- Identify price and non-price determinants of supply and calculate production and cost functions.
- Identify various market structures and evaluate pricing strategies adopted by firms.
- Evaluate the role and effectiveness of policies to reduce the occurrence of market failure.
- Recognize the role of understanding risk in managerial decision-making and select advantageous capital budgeting projects.
- Apply theories of economic behavior and design entrepreneurial strategies to successfully manage a company and secure for it a competitive advantage.

Links to other Modules within the Study Program

This module is similar to other modules in the field of Business Administration & Management.

Links to other Study Programs of the University

All Master Programmes in the IT & Technology field(s).

Managerial Economics

Course Code: DLMBME01-01

| Study Level | Language of Instruction and Examination | Contact Hours | CP | Admission Requirements |
|-------------|-----------------------------------------|---------------|----|------------------------|
| MBA | English | | 5 | None |

Course Description

This course takes an in-depth look into the economic framework underlying markets and economies and the economic rationale underlying strategic decisions. In order to enable students to analyze the economic environment and draw conclusions from a managerial perspective, the first part of the course is devoted to the description and analysis of market forces. Following this, strategic decision making makes up the second half of the course. In particular, these latter units deal with the role of different market structures and asymmetric information as well as the fundamentals of game theory, which supports students to understand with the underlying decision making processes at work in modern economics.

Course Outcomes

On successful completion, students will be able to

- Define the scope of managerial economics and describe its contribution to both entrepreneurial decision-making and economic theory at large.
- Identify and interpret various macroeconomic indicators and analyze the role of macroeconomic factors in shaping governmental and central bank policies.
- Calculate various elasticities of demand and accurately estimate future demand using regression analysis.
- Identify price and non-price determinants of supply and calculate production and cost functions.
- Identify various market structures and evaluate pricing strategies adopted by firms.
- Evaluate the role and effectiveness of policies to reduce the occurrence of market failure.
- Recognize the role of understanding risk in managerial decision-making and select advantageous capital budgeting projects.
- Apply theories of economic behavior and design entrepreneurial strategies to successfully manage a company and secure for it a competitive advantage.

Contents

1. The Nature, Scope, and Method of Managerial Economics
 - 1.1 The Nature and Scope of Managerial Economics
 - 1.2 The Method of Managerial Economics

2. The Macroeconomic Environment
 - 2.1 Macroeconomic Conditions and the Business Cycle
 - 2.2 Government and Central Bank Policies
3. Market Force: Demand
 - 3.1 The Theory of Demand
 - 3.2 Elasticity of Demand
 - 3.3 Demand Estimation
4. Market Force: Supply
 - 4.1 The Theory of Supply
 - 4.2 Price Determination
 - 4.3 Production Theory
 - 4.4 Cost Theory
5. Market Structures and Competition
 - 5.1 Theories of the Firm
 - 5.2 Market Structures
 - 5.3 Pricing Strategies
6. Government Regulation and Industry
 - 6.1 Market Failures
 - 6.2 Government Policies to Reduce Market Failure
7. Strategic Analysis and Decision-Making
 - 7.1 Game Theory
 - 7.2 Information and Decision-Making
 - 7.3 Auctions
8. Capital Budgeting and Risk
 - 8.1 Capital Budgeting
 - 8.2 Investment Analysis
 - 8.3 Risk Versus Uncertainty

Literature**Compulsory Reading****Further Reading**

- Keat, P. G., Young, P. K., & Erfle, S. E. (2014). *Managerial economics: Economic tools for today's decision makers* (7th ed.). Upper Saddle River, NJ: Prentice Hall.
- McGuigan, J. R., Moyer, R. C., & Harris, F. H. (2017). *Managerial economics: Applications, strategies and tactics* (14th ed.). Boston, MA: Cengage Learning.
- Perloff, J. M., & Brander, J. A. (2017). *Managerial economics and strategy* (2nd ed.). Upper Saddle River, NJ: Pearson.
- Png, I. (2016). *Managerial economics* (5th ed.). Abingdon: Routledge.

Study Format Distance Learning

| | |
|------------------------------------------|--------------------------------------|
| Study Format Distance Learning | Course Type Online Lecture |
|------------------------------------------|--------------------------------------|

| | |
|-------------------------------------------|------------------|
| Information about the examination | |
| Examination Admission Requirements | BOLK: yes |
| Type of Exam | Exam, 90 Minutes |

| | | | | | |
|-------------------------|----------------------|-----------------|------------------|--------------------------|--------------------|
| Student Workload | | | | | |
| Self Study | Contact Hours | Tutorial | Self Test | Independent Study | Hours Total |
| 90 h | 0 h | 30 h | 30 h | 0 h | 150 h |

| | |
|---------------------------------------------------|----------------------------------------------------|
| Instructional Methods | |
| <input type="checkbox"/> Learning Sprints® | <input type="checkbox"/> Review Book |
| <input checked="" type="checkbox"/> Course Book | <input type="checkbox"/> Creative Lab |
| <input type="checkbox"/> Vodcast | <input type="checkbox"/> Guideline |
| <input checked="" type="checkbox"/> Shortcast | <input type="checkbox"/> Live Tutorium/Course Feed |
| <input checked="" type="checkbox"/> Audio | <input type="checkbox"/> Reader |
| <input checked="" type="checkbox"/> Exam Template | <input checked="" type="checkbox"/> Slides |

Study Format myStudies

| | |
|----------------------------------|-------------------------------|
| Study Format myStudies | Course Type Lecture |
|----------------------------------|-------------------------------|

| | |
|-------------------------------------------|------------------|
| Information about the examination | |
| Examination Admission Requirements | BOLK: yes |
| Type of Exam | Exam, 90 Minutes |

| | | | | | |
|-------------------------|----------------------|-----------------|------------------|--------------------------|--------------------|
| Student Workload | | | | | |
| Self Study | Contact Hours | Tutorial | Self Test | Independent Study | Hours Total |
| 90 h | 0 h | 30 h | 30 h | 0 h | 150 h |

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Instructional Methods | |
| <input type="checkbox"/> Learning Sprints® <input checked="" type="checkbox"/> Course Book <input type="checkbox"/> Vodcast <input checked="" type="checkbox"/> Shortcast <input checked="" type="checkbox"/> Audio <input checked="" type="checkbox"/> Exam Template | <input type="checkbox"/> Review Book <input type="checkbox"/> Creative Lab <input type="checkbox"/> Guideline <input type="checkbox"/> Live Tutorium/Course Feed <input type="checkbox"/> Reader <input checked="" type="checkbox"/> Slides |