Instructor: Dr. Aaron Smallwood

Office Location: COBA 327
Phone: (817) 272-3062
Email: smallwood@uta.edu
Course Webpage: http://www.uta.edu/faculty/smallwood/ECON5313fall13.html

Time and Location: M, Th 6:00 - 9:50, Frisco, TX. NTEC Building Conference Room B.

Textbook: There is no textbook that is formally required. The lectures will be largely self contained.

Throughout the course, I will make readings available that are relevant to course material. Please be sure to visit the course website before each class period to see if anything has been posted. Readings will appear from various sources, including The Wall Street Journal and other periodicals that emphasize current events in managerial economics, such as The Economist.

For those interested in acquiring a textbook to supplement class notes, the following textbook is an outstanding resource for managerial economics:


Students will be required to obtain the software EViews. The software will be used in forecasting exercises throughout the course. A student version of the software can be obtained directly from the manufacturer at the following URL:


Course Description and objectives:

This course will introduce applied managerial economics with a mix of forecasting analysis. This course will demonstrate how economics can be used in decision-making in order to achieve goals and objectives of organizations in the most efficient way. We will demonstrate how managers can increase real profitability and efficiency by concentrating on economic costs rather than accounting costs, which often fail to recognize more profitable alternative uses for resources. Case studies and the analysis of current issues will provide participants with the opportunity to apply these perspectives to the formulation of solutions to practical managerial decision-making. Additionally, students will be introduced to forecasting methods and practical applications of the powerful techniques that allow managers to analyze future business patterns in an uncertain world.

Upon successful completion of the course, the student will

1. Possess an understanding of economics, especially as it relates to decision making by the firm.
2. The student will be able to apply economics in decision making as it relates to production decisions, production plans, pricing, and hiring.
3. The student will be able to produce forecasts for variables such as future sales and demand. Additionally, the student will be able to use these forecasts to guide important decisions.

Grading: Course grades will be based on the following:

Exam 1 30%
Exam 2 30%
Group presentation 30%
In class participation and quizzes 10%
I. Exams:

Exam 1: Scheduled for September 9, 2013
Exam coverage: determined by pace of the course.

Final Exam: September 26, 2013.
Exam coverage: Again determined by the pace of the course.

II. Presentations

Group presentations will be given on September 23 and, if need be, on September 26 as well. The group will take the role of a consulting team that has been hired by a firm to provide projections for an important industry variable, notably firm level sales for Fortune 500 companies. Based on the forecasts, the group will be asked to provide recommendations for the firm. More details regarding the presentation will be provided during the second or third week of classes. Students should prepare themselves by acquiring the software EViews, as discussed above, which will be used in the presentations.

III. Participation

Two unannounced quizzes will be given throughout the course. The quizzes will aid students in preparation for the exam. Additionally, the quizzes will be used to demonstrate applications of the material. Students are encouraged to participate throughout the course. We will discuss current event related issues frequently.

Lecture with class discussion is the primary format. Comments and questions are encouraged, as are contributions based on your experience. As such, attendance is required and I kindly ask you to respect the desire of other students to learn. If you come in late, or leave early, please do so quietly. No eating in class. No reading a newspaper. No surfing the net. No text messaging. No cell phones. If you want to talk, please stay outside. If you violate these rules, I reserve the right to boot you out.

Course Outline: Please note that the course is very dynamic and thus will be skewed heavily toward current events. Please note that topics can and will likely change and that the following may also change due to the pace of the course.

Week 1 (Aug 23): Syllabus and introduction. Introductory material. Why should students learn about managerial economics? The one rule of business and the one rule of economics.


Week 3 (Sept 5): More complex pricing strategies. Indirect forms of price discrimination (e.g. volume discounts and bundling). Introduction to EViews.

Week 4 (Sept 9-12): Indirect price discrimination reviewed. Introduction to EViews. Exam #1. Return exam #1. Introduction to forecasting analysis.

Week 5 (Sept 16-19): EViews continued. Forecasting analysis continued (modelling trends and seasonality). Economies of scale and scope. Looking at the relationship between industries. Pure competition on one end, monopoly on the other. Strategies to keep profits from eroding depending on the industry.

Drop Policy: It is the student’s responsibility to complete the course or withdraw from the course in accordance with University regulations. Students are strongly encouraged to verify their grade status before dropping a course after their first withdrawal date.

Grade Grievances: You have one calendar year from the date the grade is assigned to initiate any grievance. The normal academic channels are department chair, academic dean, and the Provost.

Non-payment of fees policy: Students who have not paid their fees by the census date and are dropped for non-payment cannot receive a grade for the course under any circumstances. Emergency loans are available from the Financial aid Office.

Academic Dishonesty: The UTA Student Handbook contains the following statement on academic dishonesty:

“It is the philosophy of The University of Texas at Arlington that academic dishonesty is a completely unacceptable mode of conduct and will not be tolerated in any form. All persons involved in academic dishonesty will be disciplined in accordance with University regulations and procedures.”

“Scholastic dishonesty includes but is not limited to cheating, plagiarism, collusions, the submission for credit of any work or materials that are attributable in whole or in part to another person, taking an examination for another person, any act designed to give unfair advantage to a student or the attempt to commit such acts.” (Regents’ Rules and Regulations, Part One, Chapter VI, Section 3, Subsection 3.2 Subdivision 3.22)

Reasonable Accommodations: Students with academic disabilities needing accommodations should make an appointment to meet with me in my office during the first week of class. I will do my best to make the necessary accommodations to insure that no student is at a disadvantage because of his/her disability.

Bomb Threats: Effective April 8, 1997, the College of Business Administration has adopted a policy to deal with the classroom disruption caused by bomb threats in the building. (A) Section 22.07 of the Texas Criminal Law Statutes governs terrorist threats and classifies bomb threats as Class A misdemeanors. Section 12.21 of the Texas Criminal Law Statutes states that a Class A misdemeanor is punishable by (1) a fine not to exceed $4,000, (2) a jail term of not more than one year, or (3) both such a fine and confinement. (B) If anyone is tempted to call in a bomb threat, be aware that UTA will soon have technology to trace phone calls. (C) Every effort will be made to avoid cancellation of presentation/tests caused by bomb threats. Unannounced alternate sites will be available for these classes. If a student who has a class with a scheduled test or presentation arrives and the building has been closed due to a bomb threat, the student should immediately check for the alternate class site notice which will be posted on/near the main doors of the building. If the bomb threat is received while class is in session, your instructor will ask you to leave the building and reconvene at another location. (D) Students who provide information leading to the successful prosecution of anyone making a bomb threat will receive one semester’s free parking in the Maverick Garage across from the Business Building. UTA’s Crimestoppers will provide a reward to anyone providing information leading to an arrest. To make an anonymous report, call 817-272-5245.