PEPPERDINE UNIVERSITY

THE GEORGE L. GRAZIADIO SCHOOL OF BUSINESS AND MANAGEMENT

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WILLIAM F. MASON

BSM 469.34

MANAGERIAL ECONOMICS

FALL 2003

Thursdays

6:00 P. M. - 10:00 P. M.

SAN FERNANDO VALLEY

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SYLLABUS
MANAGERIAL ECONOMICS
BSM 469.32
FALL 2003

Thursdays 6:00PM - 10:00PM
San Fernando Valley

William F. Mason
WmCo
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West Hills, CA 91304
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Course Description

The focus of this course is on the analysis of the enterprise and the implications to the enterprise of a broad range of Microeconomic Theory. We will discuss and analyze industrial organization in term of market structure, conduct and performance and their relationship to production, revenues, prices and profits.

Course Objectives

The course will consist of lectures, group presentations and/or debates, class discussions, written assignments and examinations.

Class lectures should stimulate discussion of important issues presented in the texts and relate them to prevailing economic theory. Class discussions and group presentations will be used to integrate theory with real world problems and practices.

Students will be required to prepare a detailed analysis of a pair of companies in a particular industry chosen by the instructor, relating the company’s activities to the various aspects of Microeconomic Theory discussed in class.

Extensive reading of material other than the required texts is encouraged and students will be required to submit a substantive and critical review of two books from the Recommended Reading list. In lieu of one book review, a review of a play or motion picture may be substituted. All reviews are to bear on the economic aspects of the subject, and most especially on the microeconomic content.

Texts and Course Materials
4. Other Required Reading will be provided.

**Grades**

Your performance will be evaluated as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Examinations</td>
<td>65%</td>
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<tr>
<td>Class participation</td>
<td>20%</td>
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<tr>
<td>Written projects</td>
<td>15%</td>
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<tr>
<td>Three Group presentations, individual participation, and attendance Company analysis, book reviews (2) and homework</td>
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Grades will be assigned as follows:

- A or A- for outstanding work
- B, B+ or B- for degrees of superior work
- C, C+ or C- for average to below average work
- D, D+ or D- for the passing under-achiever
- F for failing work

There will be three examinations during the course. They will consist of up to 100 questions in a multiple choice, true-false, problem solving, and/or essay format. Essay questions will have a weight of 25% in the exam grade when included. All projects must be submitted to complete the course.

**Attendance**

Attendance at every class meeting is expected. Exceptions will be made on a case by case basis and prior notice of an expected absence is expected.

**Notice**
GSBM students are expected to respect personal and the property rights of others at all times. The University rules on conduct can be found on pages 221-222 of the GSBM Catalog. Additionally, students with disabilities are encouraged to familiarize themselves with the University's Policies on Disabilities on page 33 of the GSBM Catalog or contact the University's equal opportunity officer at (310) 506-6500

Recommended Reading

Books and Essays
The Future of Capitalism, by Thorow
The Theory of Economic Development, by Schumpeter
The Economic Consequences of the Peace, by Keynes
Atlas Shrugged, by Rand
The Road to Serfdom, by Hayek
New Ideas From Dead Economists, by Bucholtz
Against the Gods, by Bernstein
Free to Choose, by Friedman
The Good Society, by Galbraith
The Economic Way of Thinking, by Heyne
Pop Internationalism, by Krugman
Bureaucracy, by von Mises
An Essay on the Principle of Population, by Malthus
Socialism, by von Mises
Wage-Labour and Capital, by Marx
Value, Price and Profit, by Marx
Principles of Economics, by Menger
Classical Economics, by Rothbard
The Theory of the Leisure Class, by Veblen
Economics Explained, by Heilbroner & Thorow

Motion Pictures, Plays, etc.

"The Grapes of Wrath" a motion picture based on the novel by John Stienbeck
"The Fountainhead" a motion picture based on the novel by Ayn Rand
"The Apple Cart" a play by George Bernard Shaw
"Major Barbara" a play by George Bernard Shaw
"Rollover" a motion picture with Jane Fonda and Kris Kristofferson
"The Wizard of Oz" a motion picture with Judy Garland
"The Man in the White Suit" a motion picture with Alec Guinness
"I'm All Right Jack" a motion picture with Peter Sellers
"Antz" an animated motion picture from Dreamworks
"The Silver Bears" a motion picture based on the novel by Paul Erdman
"It's a Wonderful Life" a motion picture with James Stewart
"Wall Street" a motion picture with Michael Douglas
"Mrs. Warren's Profession" a play by George Bernard Shaw
“Boiler Room” a motion picture
<table>
<thead>
<tr>
<th>Date</th>
<th>Topics</th>
<th>Readings</th>
<th>Assignments Due</th>
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<tbody>
<tr>
<td>08/28</td>
<td>Intro., Principles &amp; the Perspective of Economics</td>
<td>Mankiw pp 1-44</td>
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<td>Heilbroner ch 1-4</td>
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<td>09/04</td>
<td>Trade &amp; Money</td>
<td>Mankiw pp 47-59</td>
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<td>Heilbroner ch 5&amp;6</td>
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<tr>
<td>09/11</td>
<td>Markets &amp; Competition</td>
<td>Mankiw pp 65-115</td>
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<td>Heilbroner ch 7</td>
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<td>09/18</td>
<td><strong>EXAM ONE</strong></td>
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<tr>
<td>09/25</td>
<td>Monopoly &amp; Oligopoly</td>
<td>Mankiw pp 315-92</td>
<td>1st review due</td>
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<td>Heilbroner ch 8</td>
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<tr>
<td>10/02</td>
<td>Monopoly &amp; Oligopoly (con’t)</td>
<td>Mankiw pp 315-92</td>
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<td>10/09</td>
<td>Taxation Theory</td>
<td>Mankiw pp 161-76</td>
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<td>Mankiw pp 243-64</td>
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<td>Heilbroner ch 9-11</td>
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<td>10/16</td>
<td>Externalities</td>
<td>Mankiw pp 205-41</td>
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<td>10/23</td>
<td>Cost &amp; Profit Maximization</td>
<td>Mankiw pp 269-87</td>
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<td>Menger pp 257-71</td>
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<td>10/30</td>
<td><strong>Exam Two</strong></td>
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<td>11/06</td>
<td>Factor Markets</td>
<td>Mankiw p 397-415</td>
<td>2nd review due</td>
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<td>11/13</td>
<td>Income Distribution</td>
<td>Mankiw pp 417-58</td>
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<td>11/20</td>
<td>Consumer Choice</td>
<td>Mankiw pp 463-89</td>
<td>Presentations</td>
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<td>Readings from</td>
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<td></td>
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<td>Buchanan, Becker</td>
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<td>12/04</td>
<td><strong>Final Exam</strong></td>
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