

ECON 3590 Business Economics Spring 2023

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Office: ELB 1005
Office Hours: Mon 2:30 pm – 4:00 pm or by appointment

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Lecture Time: Mon 4:30 pm – 6:15 pm, ELB LT2
Thu 1:30 pm – 2:15 pm, CK TSE

Course Objectives and Learning Outcomes

This course aims at introducing the basics of the economics of organization and the economics of managerial decisions. Primary focus is on the application of theory to real business decisions, formulation of corporate strategies, and policy-making under a competitive regime and/or a regulatory environment.

On completion of this course, students should be able to understand the economic principles of managerial decision making, and apply economic concepts and techniques to formulate optimal business strategies.

References

Reading materials of this course will be mainly based on the lecture handouts, which will be uploaded regularly at the Blackboard: <https://blackboard.cuhk.edu.hk>

Baye and Prince (2017), [Managerial Economics and Business Strategy](#), McGraw-Hill

Assessment

Mid-term Exam 40% In-Class, March 13

Final Exam 60% University Centralized Exam Period: April 26 to May 13

→ Make-up exam will never be provided. Absence must lead to zero point.

Teaching Schedule

<u>Topic</u>	<u>Reading</u>
1. Introduction	
2. Market Forces: Demand and Supply	Ch 2
3. Quantitative Demand Analysis	Ch 3
4. The Production Process and Costs	Ch 5
5. The Organization of the Firm	Ch 6
6. The Nature of Industry	Ch 7
7. Managing in Monopolistic, and Monopolistically Competitive Markets	Ch 8
8. Game Theory: Inside Oligopoly	Ch 10
9. Pricing Strategies for Firms with Market Power	Ch 11
10. The Economics of Information	Ch 12

Academic Honesty

The University adopts a zero-tolerance policy on cheating and plagiarism. Any related offence will lead to disciplinary action including termination of studies at the University. Details can be found at: <http://www.cuhk.edu.hk/policy/academichonesty>