

CBN COLLABORATIVE POSTGRADUATE PROGRAMME
DEPARTMENT OF BUSINESS MANAGEMENT, AHMADU BELLO UNIVERSITY
WORK PLAN
COURSE: BUAD 805 MANAGERIAL ECONOMICS

STUDY WEEK	TOPIC SUB-TOPIC	RESULTS LEARNING	TIME HRS	METHODS	Suggested Videos
1	Economic Principles of the Firm 1.1 Introduction 1.2 Fundamental of Economics Concept 1.3 Manager, Profit and Market 1.4 Managerial Challenge: 1.5 Decision Making Model 1.6 Objective of the firm	The student can: <ul style="list-style-type: none"> ➤ Understand why Managerial Economics can rely on Microeconomic to analyse business practices and design business strategies ➤ Explain differences between economic and Accounting profit and relate Economics profit to the value of the firm ➤ Describe how separation of ownership and Management can lead to principal, agent problems when goals of Managers are not aligned. 	3hours	<ul style="list-style-type: none"> ✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources.. 	There are many good videos available on the Internet.

2.	Price Mechanism I 1 Introduction 2.2 Demand Shifters 2.2.1 Income 2.2.2 Price of related goods 2.2.3 Advertise and consumer taste 2.2.4 Population 2.2.5 Consumer expectation 2.2.6 Other factors 2.2.7 Demand function 2.2.8 Consumer surplus 2.3 Supply 2.3.1 Supply shifters 2.3.2 Input pricing 2.3.3 Substitute in production 2.3.4 Taxes 2.3.5 Producers expectation 2.3.6 Supply functions 2.3.7 Producer Surplus 2.4 Market equilibrium 2.4.1 Price restriction and market equilibrium 2.4.1.1 Price ceiling 2.4.1.2 Price floor	The student can: ✓ Identify demand functions and distinguish between a change in demand and a change in quantity demanded ✓ Identify supply functions and distinguish between a change in supply and a change in quantity supplied ✓ Explain why market equilibrium occurs at the price for which quantity demanded equals quantity supplied ✓ Measure gains from market exchange using consumer surplus, producer surplus and social surplus ✓ Predict the impact on equilibrium price and quantity of shifts in demand or supply ✓ Examine the impact of Govt imposed price ceiling and price floors	3hour	✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources	There are many good videos available on the Internet.
3	Price Mechanism II: Quantitative demand Analysis 3.0 Introduction 3.1 Elasticity Concept 3.2 Own price and demand 3.2.1 Elasticity and total revenue	The student can: ✓ Define price elasticity of demand and use it to predict changes in quantity demanded and	3hour	✓ The students will learn through a combination of face – to - face	There are many good videos available on the Internet.

	<p>3.2.2 Factors affecting own price elasticity 3.2.3 Cross price elasticity 3.2.4 Income elasticity 3.2.5 Other elasticity 3.2.6 Obtain elasticity from demand function</p>	<p>changes in the price of a good</p> <ul style="list-style-type: none"> ✓ Explain the role price elasticity plays in determining how a change in price affects total revenue ✓ List and explain several factors that affect price elasticity of demand ✓ Calculate price elasticity over an interval along a demand curve and at a point on demand curve ✓ Relate marginal revenue to total revenue and demand elasticity and write the marginal revenue equation for linear inverse demand functions ✓ Define and compute the income elasticity of demand and the cross price elasticity of demand. 	<p>3hour</p>	<p>contact and guided study.</p> <ul style="list-style-type: none"> ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources ✓ Lectures, tutorials and field trip/industrial visit (if any). 	
<p>4</p>	<p>Interactions among Market Players I: Perfect Competition and Monopoly: 4.0 Introduction 4.1 Perfect competition 4.1.1 Demand at the market and firm level 4.1.1.1 Short run output decisions 4.1.1.2 Maximizing profit</p>	<p>The student can:</p> <ul style="list-style-type: none"> ➤ Decipher the various differences that exist between perfect competition and monopoly 	<p>3hours</p>	<ul style="list-style-type: none"> ✓ The students will learn through a combination of face – to - face contact and guided study. 	<p>There are many good videos available on the Internet. A. Slide Power Point and Tutorial Note</p>

	<p>8..4 Pricing discrimination capturing consumer surplus</p> <p>8.5 First degree (of perfect price discrimination)</p> <p>8.6 Second degree of price discrimination method</p> <p>8.7 Third degree price discrimination</p>	<p>than charging a uniform price</p> <ul style="list-style-type: none"> ✓ Explain how to practice second degree price discrimination by using either two part pricing or declining block pricing ✓ Explain how to practice third degree price discrimination ✓ Determine the profit maximizing prices when a firm sells multiple products related consumption and explain how firms can profitably bundle two or more products to sell for a single price ✓ Understand why cost-plus pricing usually fails to maximize profit 		<p>include:</p> <p>Presentations, Case Study analysis and Quizzes.</p>	
9	<p>Government regulation of Business:</p> <p>9.0 Introduction</p> <p>9.1 Market competition and social economic efficiency</p> <p>9.1.1 Efficiency condition for society</p> <p>9. 1.2 Social economic efficiency under perfect competition</p>	<p>The student can:</p> <ul style="list-style-type: none"> ✓ Discuss social economic efficiency and explain why well functioning perfect market achieve social economic 	3hours	<ul style="list-style-type: none"> ✓ The students will learn through a combination of face – to - face contact and guided study. 	A. Slide Power Point and Tutorial Note

	<p>9.2 Market failure and case for Govt intervention</p> <p>9.2.1 Market power and public policy</p> <p>9.2.2 Market power and allocative inefficiency</p> <p>9.3 Market power dead weight loss</p> <p>9.3.1 Promoting competition through anti truth policy</p> <p>9.3.2 Natural monopoly and market failure</p> <p>9.3.3 Regulating price under natural monopoly</p> <p>9.4 Problem of negative externality</p> <p>9.4.1 Pollution: Market failure regulation</p> <p>9.4.2 Non excludability</p> <p>9.4.3 Common property resource</p> <p>9.4.4 Public goods</p> <p>9.5 Information and market failure</p> <p>9.5.1 Imperfect information about prices</p> <p>9.5.2 Imperfect information about product quality</p> <p>9.5.3 Information as a public goods</p>	<p>efficiency without Govt regulations</p> <p>✓ Explain the concept of market failure</p> <p>✓ Identify deadweight loss associated with market power and discuss ways antitrust policy, second-best pricing, and two part pricing can reduce the cost of market power</p> <p>✓ Discuss pollution as a negative externality and show how Govt regulation can create incentives for firms to choose the optimal level of pollution</p> <p>✓ Explain why common property resources and public goods are under produced and how gov't can reduce market failure created by non excludability</p> <p>✓ Discuss why imperfect information about product price and quality can lead to market failure</p>	<p>3hours</p> <p>3hours</p> <p>3hours</p>	<p>✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes.</p> <p>✓ Guided study will include text readings and the use of a wide range internet based resources.</p> <p>✓ Lectures, tutorials and field trip/industrial visit (if any).</p>	
10	<p>Make or Buy:</p> <p>10.0. Introduction</p> <p>10.1. Theory of vertical boundaries</p>	<p>The student can:</p> <p>➤ Explain the theory of vertical boundaries.</p>	3hours	<p>✓ The class will be highly interactive, such</p>	A. Slide Power

		<ul style="list-style-type: none"> ➤ Be able to discuss the cost theory and the activities of competitive firms. 			
12	<p>Market Design:</p> <p>12.0. Introduction</p> <p>12.1. Evolution of clock auction as market design</p> <p>12.2. Evolution of conviratorial clock auction as market design</p> <p>12.3. Opportunity cost pricing</p> <p>12.4. Reserve prices</p> <p>12.5. Assignment stage</p> <p>12.6. Bidding language</p> <p>12.7. Activity rules for revealed preferences</p> <p>12.8. Iterative pricing</p>	<p>The student can:</p> <ul style="list-style-type: none"> ➤ Be able to trace the evolution of clock auction as market design. ➤ Explain opportunity cost pricing, reverse prices, assignment stage, bidding language, iterative pricing. 	3 hours	<ul style="list-style-type: none"> ✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources. ✓ Lectures, tutorials and field 	A. Slide Power Point and Tutorial Note

				trip/industrial visit (if any).	
13	<p>Production Function:</p> <p>13.0. Introduction:</p> <p>12.1. Short run versus long run decisions</p> <p>13.2. Measures of productivity</p> <p>13.3. The role of the manager in the production process</p> <p>13.4. Algebra and production function</p> <p>13.5. Algebra and measures of productivity</p> <p>13.6. Isoquants function</p> <p>13.7. Iso costs functions</p> <p>13.8. Optimal inputs substitutions</p>	<p>The student can:</p> <ul style="list-style-type: none"> ➤ Distinguish between the short run and the long run decisions. ➤ Be able to identify the indices of productivity within the firm, and state the roles of the manager in the production process. ➤ Distinguish amongst the various functions and identify optimal substitute inputs. 	<p>3 hours</p> <p>3 hours</p>	<ul style="list-style-type: none"> ✓ The students will learn through a combination of face – to - face contact and guided study. ✓ Personal contact sessions will include: Presentations, Case Study analysis and Quizzes. ✓ Guided study will include text readings and the use of a wide range internet based resources 	<p>There are many good videos available on the Internet.</p>
14	<p>Cost Functions:</p> <p>14.0. Introduction</p> <p>14.1. Short run cost</p> <p>14.2. Average and marginal costs</p> <p>14.3. Interaction amongst costs</p>	<p>The student can:</p> <ul style="list-style-type: none"> ➤ Distinguish between the short run and the long run costs. 	<p>3 hours</p>	<ul style="list-style-type: none"> ✓ The class will be a discussion class, and the students will 	<p>A. Slide Power Point and Tutorial Note</p>

