



UNIVERSITÀ
CATTOLICA
del Sacro Cuore

Managerial economics

PROF. LAURA CAVALLI

Course aims and intended learning outcomes

This course focuses on key microeconomic and macroeconomic principles that impact the national economy and the implication for global markets.

The purpose of the course is to provide an understanding of how fundamental economic theory can be applied to decision making within the firm. The main topics covered will be the analysis of market demand, optimal use of resources, and pricing decisions.

Course content

Managing in markets

- Demand, Supply and Market Equilibrium
- Optimal Decision
- Theory of Consumer Behavior

Basic Estimation Techniques

- Demand Estimation and Forecasting
- Direct method
- Empirical Demand Functions

The Manager's Role in the Production Process

- Production and Cost in the Short Run
- Production and Cost in the Long Run

Managerial Decision

- Managerial Decisions in Competitive Markets
- Managerial Decisions for Firms with Market Power (Monopoly)
- Managerial Decisions for Firms with Market Power (Oligopoly)

Decisions Under Risk and Uncertainty

- Expected Value and Probability

Macroeconomic issues

- The organization of governments. Institutions, laws and public policy
- Government intervention (Issue of Regulation) and Externalities
- International trade
- Issues of Monetary policy (inflation)
- Issues of Labour economics (unemployment)

Reading list

Managerial Economics, By Christopher Thomas and S. Charles Maurice (12TH EDITION).

Slides provided during the lectures.



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Teaching method

The course is structured in lectures.

Assessment method and criteria

70% of the final evaluation consists in a written, closed book exam, with theory and some simple exercises. Students are offered the opportunity to undertake an intermediate written test during the course that counts 35% of the final evaluation. Only students with an evaluation of at least 18/30 will be admitted to the second midterm exam at the end of the course (35% of the final evaluation), while those who fail the intermediate or the final test take their exam according to the standard rules.

Students 30% of the final evaluation consists in a presentation of one specific topic.

Students are asked to form groups of size 5. Each group is asked to choose **one** macroeconomic topic from a list of possible broad subjects and to present it in class to the other students.

The presentation will last 25 minutes per group. The presentation of maximum 15 slides + title (in .ppt, word or .pdf) is due and it has to be sent via email to laura.cavalli@unicatt.it within the last lecture of the 7th week.

NOTE: One (1) mark will be subtracted from the assigned grade for each day that the presentation is submitted after the deadline.

Under normal circumstances, the grade for the presentation accrues equally to all members of the group. Students who do not send the presentation by the deadline and those who did not pass the exams within the prescribed period of time (studenti fuori corso) are required to individually write a report of length 20 type-written pages on the selected topic (counting 30% towards their final grade).

The presentation will provide an analysis of one of the following topic, starting from recent news, reports, graphs the students find online, or on journals (like the *Economy*, *The Financial Times* etc.):

Sustainable Development

SDGs

Nexus

International trade and Monetary Policy

Free trade agreements

The prospects for exchange rates

The financial crises

The regulated sectors (Government intervention)

Energy

Natural Gas

Water

Waste

Railways

Telecommunication

Antitrust

Labour economics

Wages and wage inequality

Human Capital

Labor Mobility

Labor Market Discrimination

Unemployment