

# Managerial Economics

Instructor: Fang-Chang Kuo

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Email: fckuo@ccu.edu.tw

Office Hours: Tue. 11:00am-1:00pm

Office: College of Management 331

TA: TBA

Web: <https://ecourse2.ccu.edu.tw/>

Class Hours: Tue. 1:10pm-4:00pm

Class Room: College of Management 426

TA's E-mail: TBA

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## Course Description

This course applies insights from economic theory to the practice of starting a new business or expanding a current business. The course combines practical business strategies with theoretical industrial economics. We will start by introducing some economics concepts in industrial organization. Later we will turn to specific strategic decisions that managers make: pricing, advertising, product differentiation, deterring entry by competitors, etc. If time permits, we can look at practical issues like financing, employee compensation, and franchising.

## Course Materials

Textbook:

- M. R. Baye and J. T. Prince. *Managerial Economics and Business Strategy*. McGraw Hill Education, 10th edition, 2020
- P. Belleflamme and M. Peitz. *Industrial organization: markets and strategies*. Cambridge University Press, 2015

## Grading Policy

- Attendance 10%; Midterm 1 30%; Final 30%; Case Study (Presentation + Paper) 30%

## Course Structure

### Exams

There will be two in-class exams in this course. Exams are closed book and consulting books, notes, or electronic devices will not be allowed. There will be no make-up exams. If you miss one exam due to documented illness or emergency, your final grade will be discounted and computed out of the other exam that you did completed.

### Business Case Study

You will be asked to look for a business case, and analyze it using the tools and concepts discussed in class. This project will involve an in-class presentation. It will be graded on the quality of the analysis and the in-depth description of the case. The presentation slides should be emailed to me as well. Note: To ensure attendance at the presentations, I may ask questions regarding the presentations.

### Course Plan

1. Introduction: Managerial Decisions
2. Demand and Elasticity
3. Market Structures
4. Pricing
5. Advertising
6. Product Design
7. Information and Reputation
8. Employee Compensation and Motivation
9. Franchising