

Econ 3400

Managerial Economics

Modern firms are quite complex and dynamic, and the manager has to deal with a wide array of both internal (the structure of the firm, its costs, inputs, output, profits, prices, etc.) and external (government regulation in the marketplace, asymmetric information, uncertainty, competition, etc.) problems.

This course:

- shows how economics can be used to make better-informed managerial decisions.
- Uses real world examples of successes and failures of the application of corrective policies.
- Analyzes the market effects of government policies
- Discuss the role of prices, income, behavioral biases, psychological factors, and uncertainty in consumer choices
- Demonstrates how to optimize inputs to minimize costs and how to use experience-based learning in these decisions
- covers the basics of game theory and its application to managerial practices
- identifies the difference between adverse selection and moral hazard, and shows how they can distort economic transactions
- concludes by reviewing sustainable indicators and development policies, including concepts of green accounting.



Students should take this course if:

- **pursuing degrees in business, economics, finance, or related fields**
- **interested in managerial positions & wish to enhance decision-making skills**
- **interested in public policy, regulatory affairs, or government positions & wish to understand policy impacts on firm behavior.**
- **interested in consulting careers**
- **Counts toward economics major and minor elective requirement**

****Prerequisites & Corequisites:**
ECON 2010



WESTERN MICHIGAN UNIVERSITY
College of Arts and Sciences
Department of Economics