

Managerial Economics

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KR16

The goal of this course is to provide students with some basic tools of economic reasoning that can be deployed in order to better understand the economic environment in which firms operate. We will study how consumers and producers interact in the market and how a firm should set its level of output, prices and some other variables, under different market scenarios.

The final grade will consist of the average grade in the problem sets (25%) and the final exam (75%).

There is no required textbook for this course. Some optional textbooks are:

- **Introduction to Industrial Organization**, by Luis M. B. Cabral, MIT Press
- **Microeconomics**, 5th edition, Robert Pindyck and Daniel Rubinfeld
- **Microeconomics: An Integrated Approach**, David Besanko and Ronald Braeutigam
- **Intermediate Microeconomics: A Modern Approach**, 5th edition, Hal Varian
- **Microeconomics**, 3rd edition, Michael Katz and Harvey Rosen
- **Microeconomics for Managers** by David M. Kreps

The topics covered in this course and the relevant chapters in our course packet are:

Chapter 0: Introduction and Motivating examples

Chapter 1: Bundling

Chapter 2: Profit Maximization, Pricing and Vertical relations

Chapter 3: Monopoly and Market Power

Chapter 4: Pricing Strategies

Chapter 5: Durable Goods

For our first meeting: please go over and think about the examples and questions presented in Chapter 0 of the course packet.