

UNIVERSITY OF ECONOMICS - VARNA
FACULTY OF FINANCE AND ACCOUNTING
DEPARTMENT OF GENERAL ECONOMIC THEORY

Adopted by the FC (record №11/25.04.2024)

Adopted by the DC (record №11/09.04.2024)

ACCEPTED BY:

Dean:

(Assoc. Prof. Daniela Georgieva, PhD)

SYLLABUS

SUBJECT: “MANAGERIAL ECONOMICS”

DEGREE PROGRAMME: “International Business and Management”; MASTER`S DEGREE

YEAR OF STUDY: 5; SEMESTER: 10

TOTAL STUDENT WORKLOAD: 270 hours; incl. curricular 60 hours

CREDITS: 9

DISTRIBUTION OF STUDENT WORKLOAD ACCORDING TO THE CURRICULUM

<i>TYPE OF STUDY HOURS</i>	WORKLOAD, hours	TEACHING HOURS PER WEEK, hours
CURRICULAR: incl. <ul style="list-style-type: none">• LECTURES• SEMINARS / LAB. EXERCISES	30 30	2 2
EXTRACURRICULAR	210	-

Prepared by:

1.
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I. ANNOTATION

Managerial Economics is designed to provide economic terminology and reasoning for managerial decisions, thus laying a solid economic foundation which is to be used by managers and other employees. It links traditional microeconomics with applied mathematics to develop tools for the analysis of firms, markets and investment decisions.

The fundamental goal of the course is to teach students to apply the microeconomic theoretical concepts and models in the real-world decision problems.

In order to achieve those objectives a problem-solving approach is used. This is designed to encourage students to focus on the application of economic tools rather than seeking for a purely theoretical understanding.

The analytical framework of the course rests upon three building blocks. The first introduces tools for the analysis of rational behaviour exercised both by consumers as well as firms, and demonstrates the application of those tools to some basic economic relationships and problems. Secondly, the application of those tools is transferred to more complex settings in various market structures, where strategy and pricing are the main focus. Finally, the role of government regulation is introduced as well as tools for the economic evaluation of public and private investment projects.

Successful completion of the course will:

- 1) deepen student's knowledge of the types of economic problems faced by firm managers;*
- 2) improve student's economic intuition concerning these problems and their optimal solutions in consumption, production and public sector investments;*
- 3) enhance student's understanding of how markets operate and develop their capability in making economic predictions about market outcomes.*
- 4) allow students to use theoretical models and apply them to solve practical problems.*

The discipline develops three key competencies: (1) mathematical, (2) personal, and (3) entrepreneurial. Mathematical competence is developed through the study and practical implementation of formal models connected with the functioning of the firm and the related managerial decisions. Personal competence is developed through obtaining knowledge and forming skills how to manage information and to deal with complex situations and uncertain environment while being able to steer one's own career and be effective as a manager. Entrepreneurial competence is developed through fostering strategic thinking and the acquisition of knowledge and skills how to plan, make investment decisions, manage project, and solve practical managerial problems.

II. THEMATIC CONTENT

№	TITLE OF UNIT AND SUBTOPICS	NUMBER OF HOURS		
		L	S	L.E.
1. INTRODUCTION TO MANAGERIAL ECONOMICS		3	3	
1.1.	The Nature and Scope of Managerial Economics			
1.2.	Theory of the Firm			
1.3.	Profit Measurement			
1.4.	Role of Business in Society			
2. ECONOMIC OPTIMIZATION		3	3	
2.1.	Economic Optimization Process			
2.2.	Revenue Maximization			
2.3.	Average Cost Minimization			
2.4.	Profit Maximization			

3. MARKET ANALYSIS		3	3	
3.1.	The Market Demand Function and Demand Curve			
3.2.	The Market Supply Function and Supply Curve			
3.3.	Market Equilibrium and Disequilibrium			
3.4.	Demand Sensitivity Analysis: Elasticity Concepts			
4. PRODUCTION ANALYSIS		3	3	
4.1.	Production in the Short Run			
4.2.	Optimal Employment			
4.3.	Productivity Measurement			
5. COST ANALYSIS		3	3	
5.1.	Economic Costs and Profit			
5.2.	Short Run and Long Run Costs			
5.3.	Cost-Volume-Profit Analysis			
6. PERFECT COMPETITION AND MONOPOLY		3	3	
6.1.	Market Structures and Competition			
6.2.	Competitive Markets			
6.3.	Monopoly			
7. MONOPOLISTIC COMPETITION AND OLIGOPOLY		3	3	
7.1.	Monopolistic Competition			
7.2.	Oligopoly			
7.3.	Market Structure and Profitability			
8. PRICING PRACTICES		3	3	
8.1.	Cost-Plus Pricing			
8.2.	Price Discrimination			
8.3.	Multiple Product Pricing			
9. GOVERNMENT IN THE MARKET ECONOMY		3	3	
9.1.	Government Regulation and Managerial Decisions			
9.2.	Market Failure and Government Intervention			
9.3.	The Business Cycle and Macroeconomic Stabilization Policy			
10. COST-BENEFIT ANALYSIS		3	3	
10.1.	Methods for Analysis and Appraisal of Public Projects			
10.2.	Advantages of The Cost-Benefit Method			
10.3.	Classification of Costs and Benefits			
10.4.	Criteria for Evaluation			
10.5.	Problems in Applying the Cost-Benefit Analysis			
		Total:	30	30

III. FORMS OF CONTROL:

№	TYPE AND FORM OF CONTROL	Number	extracurricular, hours
1.	Midterm control		
1.1.	Midterm Exam 1(solving problems and open essay questions)	1	40
1.2.	Midterm Exam 2(solving problems and open essay questions)	1	40
1.3.	Presentation	1	20
Total midterm control:		3	100
2.	Final term control		
2.1.	Exam	1	110
Total final term control:		1	110
Total for all types of control:		4	210

IV. LITERATURE

REQUIRED (BASIC) LITERATURE:

1. Wilkinson, N. (2022). Managerial Economics: Problem-Solving in a Digital World. Cambridge University Press, 2nd Edition.
2. Hirschey, M., Bentzen, E., Scheibye, C. (2022). Managerial Economics. Cengage Learning EMEA, 16th Edition.

RECOMMENDED (ADDITIONAL) LITERATURE:

1. Froeb, L., McCann, B., Ward, M., Shor, M. (2023). Managerial Economics: A Problem Solving Approach. Cengage Learning, 6th Edition.
2. Samuelson, W., Marks, S., Zagorsky, J. (2022). Managerial Economics. Wiley; 9th Edition.
3. Baye, M., Prince, J. (2022). Managerial Economics and Business Strategy. McGraw Hill, 10th Edition.
4. Salvatore, D., Srivastava, R. (2020). Managerial Economics: Principles and Worldwide Applications. Oxford University Press; 9th Edition.
5. Thomas, C. (2023). Managerial Economics: Foundations of Business Analysis and Strategy. McGraw-Hill, 14th Edition.
6. Png, I. (2022). Managerial Economics. Routledge. 6th Edition.
7. Brickley, J., Smith, C., Zimmerman, J. (2021). Managerial Economics and Organizational Architecture. McGraw-Hill. 7th Edition.
8. Todorov, V. (2023). Stabilization Role of the Macroeconomic Policy during the COVID-19 Crisis. Economic Archive, Vol. 76(3), pp. 63-78.
9. Todorov, V. (2022). Exogenous Macroeconomic Shocks as Contemporary Business Cycle Determinants. Economic Archive, Vol. 75(3), pp. 3–17.
10. Todorov, A. (2018). Aggregate Concentration, Market Size and EU Integration: Evidence from Southeast Europe. Izvestiya Journal of Varna University of Economics, Varna: Science and Economic Publ. House, Vol.62(3-4), pp. 185-199.