



**University “Ukshin Hoti” Prizren**  
**Faculty of Economics**  
**Program: Business Administration (MSc)**

<b>CURRICULUM - SYLLABUS</b>							
<b>Study level</b>	<b>Master</b>	<b>Program</b>	<b>Business Administration</b>		<b>Academic year</b>	<b>2023/24</b>	
<b>Course</b>		<b>MANAGERIAL ECONOMICS</b>					
<b>Year</b>	<b>I</b>	<b>Course status</b>	<b>Mandatory</b>	<b>Code</b>	<b>/</b>	<b>ECTS credits</b>	<b>6</b>
<b>Semester</b>	<b>II</b>						
<b>Teaching weeks</b>		<b>15</b>		<b>Teaching hours</b>		<b>Lectures</b>	<b>Exercises</b>
						<b>2</b>	<b>2</b>
<b>Teaching methodology</b>		Interactive lectures, discussions, seminar papers, case studies, assignments, etc.					
<b>Consultation</b>		Wednesday 14:00 - 18:30					
<b>Lecturer</b>		<b>Prof. Asoc. Dr. Nerimane Bajraktari</b>		<b>e-mail</b>	Nerimane.bajraktari@uni-prizren.com		
				<b>Mob.</b>	<b>044150244</b>		
<b>Assistant</b>		<b>Ass. PhDc. Dafina Abdullahu</b>		<b>e-mail</b>	Dafina.abdullahu@uni-prizren.com		
				<b>Mob.</b>	<b>049730676</b>		
<b>The study purpose of the course</b>				<b>Expected results</b>			
<p>- The course Managerial Economics refers to the use of economic methods in managerial decision-making; it is an integral component of any business or management school. The theory of the company; demand theory and evaluation; production and cost theory and estimate; market structure and pricing; game theory; investment analysis and government policy are all covered in this course. The course includes numerous and detailed case studies, as well as review questions and problem-solving sections. This course guides students through a step-by-step problem-solving process that begins with simple issues and progresses to numerous case studies and complicated instances, allowing them to grasp how important ideas may be applied to real-life scenarios requiring management decision-making.</p>				<p>By completing of this course, students will be able to:</p> <ul style="list-style-type: none"> <li>-<b>Understand</b> the nature of managerial economics challenges and how the market system utilizes pricing to distribute resources;</li> <li>- <b>Describe</b> how various players engage in the production and consumption processes, as well as how the government intervenes to promote economic well-being.</li> <li>-<b>Apply</b> economic analysis in various marketplaces in the microeconomic aspect;</li> <li>-<b>Evaluate</b> the impacts of market failure and inefficient information when enterprises, people, families, and agencies make decisions;</li> </ul>			
<b>Methodology for the implementation of learning topics:</b>							
Interactive lectures, discussions, seminar papers, case studies, assignments, etc.							
<b>Conditions for the realization of learning topics:</b>							
It is necessary that the lecture hall be equipped with technology: internet, computer and projector.							
<b>Assessment methods and passing criteria</b>							
The assessment is done through a test, and the final grade consists of four components:				<b>Evaluation %</b>		<b>Final Grade</b>	

<ul style="list-style-type: none"> <li>Regular attendance and active participation in debates..... 10%</li> <li>Test 1 (Mid-season test)..... 30 %</li> <li>Project, presentation, seminar ... 30 %</li> <li>Test 2 ..... 30 %</li> <li>Final exam 0 - 100%</li> </ul>	91 - 100	10 (ECTS - A)
	81 - 90	9 (ECTS - B)
	71 - 80	8 (ECTS - C)
	61 - 70	7 (ECTS - D)
	51 - 60	6 (ECTS - E)
	40 - 50	5* (ECTS - FX)

### Student obligations:

<b>Lectures</b> <ul style="list-style-type: none"> <li>Regular attendance of lectures;</li> <li>Active participation in debates;</li> <li>Realization of the project, presentation, seminar</li> <li>Adherence to the code of conduct, etc.</li> </ul>	<b>Exercises</b> <ul style="list-style-type: none"> <li>Regular attendance of exercises;</li> <li>Adherence to the code of conduct, etc.</li> </ul>
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### Student load for the course

Activity	Hours / weeks	Day / year	Total:
Lectures	2	15	30
Practical work (Exercises)	2	15	30
Contacts with the teacher / consultations	1	15	15
Field work visit	/	/	/
Seminars	1	10	10
Self-study time	1	15	15
Personal task	1	6	6
Final preparation for the exam	4	5	20
Time spent in assessment (tests, final exam)	5	3	15
Projects, presentations, etc	1	9	9
<i>Note: 1 ECTS credit = 25 hours of engagement, eg if the course has 6 ECTS credits a student must have an engagement of 150 hours during the semester</i>			<b>Total load: 150</b>

Week	Lecture	Hours	Exercise	Hours
1.	<b>Topic</b> Introduction - Nature, scope and methods of managerial economics - Definition and relationships with other disciplines; Elements of managerial economics; Methods; Scientific theories.	2	<b>Topic</b> Case study - Import quotas on Japanese cars; Tools of analysis: demand and supply; Equal prize money in tennis; Global warming.	2
2.	Introduction - The theory of the firm - The nature of the firm; The basic profit-maximizing model; The agency problem; Measurement of profit; Risk and uncertainty; Multiproduct strategies.	2	Case study - The public sector and non-profit organizations; Surveys of business objectives; Ethics; Profit maximization revisited; Corporate governance; PC World.	2
3.	Demand theory - Definition and representation; Consumer theory; Factors determining demand; Elasticity; A problem-solving approach.	2	Case study - Oil production; Marks & Spencer; Examples of solved problems.	2
4.	Demand estimation - Methods; Model specification; Data collection; Simple regression; Goodness of	2	Case study - Consumer surveys; The demand for coffee; Determinants of car prices; The	2

	<i>fit; Power regression; Forecasting; Multiple regression; Implications of empirical studies; A problem-solving approach.</i>		<i>Sports Connection.</i>	
<b>5.</b>	<b>Production theory</b> <i>- Basic terms and definitions; The short run; The long run; A problem-solving approach.</i>	2	<b>Case study</b> <i>- Factor Substitution in the National Health; Microsoft - increasing or diminishing returns? State spending.</i>	2
<b>6.</b>	<b>Cost theory</b> <i>- Importance of costs for decision-making; Short-run cost behaviour; Long-run cost behaviour; The learning curve; Cost-volume-profit analysis; A problem-solving approach.</i>	2	<b>Case study</b> <i>- Rescuing Nissan; Earls Court Gym.</i>	2
<b>7.</b>	<b>Cost estimation</b> <i>- Importance of cost estimation for decision-making; Short-run cost estimation; Long-run cost estimation; The learning curve.</i>	2	<b>Case study</b> <i>- Banking; Implikimet e studimeve empirike; Airlines; Electricity generation.</i>	2
<b>8.</b>	<b>Colloquium - Exam I</b>	2	<b>Colloquium - Exam I</b>	2
<b>9.</b>	<b>Market structure and pricing</b> <i>- Characteristics of markets; Perfect competition; Monopoly; Monopolistic competition; Oligopoly.</i>	2	<b>Case study</b> <i>- Price cuts for medicines; Mobile phone networks; Private school fees; Electricity generation.</i>	2
<b>10.</b>	<b>Game theory</b> <i>- Nature and scope of game theory; Static games; Dynamic games; Games with uncertain outcomes; Repeated games; Limitations of game theory.</i>	2	<b>Case study</b> <i>- Credible commitments; Experiments testing the Cournot equilibrium; Monetary policy in Kosova.</i>	2
<b>11.</b>	<b>Pricing strategy</b> <i>- Competitive advantage; Market positioning, segmentation and targeting; Price discrimination; Multiproduct pricing; Transfer pricing; Pricing and the marketing mix; Dynamic aspects of pricing.</i>	2	<b>Case study</b> <i>- Airlines; Mobile phones; Handheld Computers.</i>	2
<b>12.</b>	<b>Investment analysis</b> <i>- The nature and significance of capital budgeting; Cash flow analysis; Risk analysis; Cost of capital; Evaluation criteria; The optimal capital budget.</i>	2	<b>Case study</b> <i>- Investing in a corporate fitness programme; Under-investment in transportation; Over-investment in fibre optics.</i>	2
<b>13.</b>	<b>Government and managerial policy</b> <i>- Importance of government policy; Market failure; Monopoly and Competition Policy; Externalities; Imperfect information.</i>	2	<b>Case study</b> <i>- Electricity; Postal services; Fuel taxes and optimality.</i>	2
<b>14.</b>	<b>Profit Management</b> <i>- Evaluating firm investment decisions and framing the best capital budgeting policies.</i>	2	<b>Case study</b> <i>- Managing of pricing, cost aspects, resource allocation, and long-run</i>	2

	<i>Nature and measurement of profit, profit policies, and techniques of profit planning like break-even analysis, cost-volume-profit analysis.</i>		<i>decisions.</i>	
15.	Colloquium - Exam II	2	Colloquium - Exam II	2

### LITERATURE

#### Basic literature:

- Wilkinson, N. (2022). *Managerial Economics: Problem-Solving in a Digital World* (2nd Ed.). Cambridge: Cambridge University Press. doi:10.1017/9781108989367
- Gwartney, J.D., Stroup, R.L., Lee, D.R., Ferrarini, T.H., Calhoun J.P. dhe Filer, R.K. (2021). *Economics of Practical Thought: What Everyone Needs to Know to Achieve Personal and National Prosperity* (1st Ed.). Economic Fundamentals Initiative. ISBN 978-1-952729-07-2
- Mançellari, A. (2012). *Managerial Economics - Summary of Lectures* (4th Ed.). AlbPAPER. ISBN: 978-9928-05-08-9
- Other books that are in line with the course syllabus can also be used.
- The literature can be even wider and according to the selection of the students themselves, but for the topics which are discussed in the syllabus.
- Preferred literature published in the last five years.
- Lectures elaborated by lecturer.
- **Additional literature:**
- Hubbard, G., & O'Brien, A. P. (2020). *Economics* (7th Ed.). Pearson. ISBN-13: 9780136878933
- Salvatore, D. (2019). *Managerial Economics in a global economy* (9th Ed.). Oxford University Press. ISBN-10 : 0190848251
- Froeb, L., Shor, M., McCann, B., & Ward, M. (2018). *Managerial economic: A problem solving approach* (5th Ed.). Cengage Learning.
- Parkin, M. (2018). *Economics, Global Edition* (13th Ed.). Pearson. ISBN: 9781292255538
- Samuelson, P. A., & Nordhaus, W. D. (2010). *Economics*. McGraw-Hill.

#### Note:

- For each learning topic, students will be provided with the necessary materials in Albanian language.
- At the end of each lesson, certain groups of students will be engaged with an assignment or case study related to the taught topic. The results achieved by the assignments should be presented to the student groups and discussed in the exercise class.
- Students have an obligation to respect the rights of staff and other students, to participate in academic activities, to attend lectures in accordance with the rules of the specific study program and to respect the rules of the code of ethics.