

Economic Analysis for Business and Strategic Decisions

Chapter 1: The Fundamentals of Managerial Economics

Learning Objectives:

After completing this section, you should be able to:

1. Define the concept of time value of money.
2. Recognize the difference between value maximization and profit maximization.
3. Identify profit-making motives for companies.
4. Recognize how marginal analysis is used for business decisions.

Chapter 2: Optimization Techniques

Learning Objectives:

After completing this section, you should be able to:

1. Identify how a derivative is used in economic analysis.
2. Recognize the characteristics of a mathematical concepts in optimization techniques.
3. Recognize different goals for economic optimization.

Chapter

3:

Market Forces: Demand and Supply

Learning Objectives:

After completing this section, you should be able to:

1. Recognize factors that affect the demand curve.
2. Identify examples of complementary goods.
3. Recognize the uses for the point price elasticity concept.
4. Identify how factors, such as technology, change the supply curve.

Chapter

4:

Quantitative Demand Analysis

Learning Objectives:

After completing this section, you should be able to:

1. Recognize how demand estimates can be achieved with market experiments.
2. Identify methods for predicting how buyers might respond to product changes.

3. Recognize different terms used in quantitative demand analysis.
4. Identify how some of the problems in estimating demand.

Chapter

5:

Economic and Business Forecasting

Learning Objectives:

After completing this section, you should be able to:

1. Recognize attributes of a naive models of business forecasting.
2. Identify how econometric forecasting methods are constructed.
3. Recognize lagging and leading barometric forecasting economic indicators.

Identify characteristics of input-output analysis

Chapter

6:

Theory of Production

Learning Objectives:

After completing this section, you should be able to:

1. Define terms in the theory of production, such as the production function and average products.
2. Recognize output and input relationships under the law of diminishing returns.

3. Identify the purpose of an expansion path in illustrating relationships between capital and labor.

Chapter 7:

Multiple Product Planning and Linear Programming

Learning Objectives:

After completing this section, you should be able to:

1. Recognize the underlying assumption of linear programming (LP).
2. Define the objective function.
3. Identify implications of different slack variables.
4. Recognize applications for linear programming.
5. Define the isoprofit curve.

Chapter 8:

Cost: Theory and Analysis

Learning Objectives:

After completing this section, you should be able to:

1. Recognize the functions used in statistical cost analysis.

2. Recognize how incremental (differential) costs vary with business decisions.
3. Identify the costs most relevant to managerial decisions.
4. Identify examples of the learning curve effect.
5. Define a cost-volume-profit (CVP) analysis.

Chapter 9:

Markets and the Behavior of the Firm

Learning Objectives:

After completing this section, you should be able to:

1. Identify the conditions with perfectly competitive markets.
2. Recognize attributes for firms in a monopolistic competitive industry.
3. Define the concentration ratio used to determine monopolistic behavior.

Chapter 10:

Pricing Policies and Strategies

Learning Objectives:

After completing this section, you should be able to:

1. Recognize some of the popular pricing strategies.

2. Determine optimal pricing based on price elasticity.
3. Identify examples of peak load pricing.
4. Recognize pricing policies used during initial product launches.

Chapter

11:

Long -Term Investment Decisions - Capital Budgeting

Learning Objectives:

After completing this section, you should be able to:

1. Recognize when a company should approve a capital budgeting project.
2. Define the cost of capital for a firm.
3. Identify how to determine the post-audit review values.

Chapter

12:

Risk in Project Analysis

Learning Objectives:

After completing this section, you should be able to:

1. Define the concept of the expected value.

2. Recognize factors and attributes involved in risk.
3. Identify the purpose of the decision tree.

Chapter 13:

A Manager's Guide to Government in the Market Place

Learning Objectives:

After completing this section, you should be able to:

1. Recognize implications of different antitrust policies, such as the Sherman Antitrust Act and the Clayton Antitrust Act.
2. Identify departments within the federal government responsible for enforcing antitrust regulations and the powers they use to enforce the regulations.