



UNIVERSITY OF TORONTO

University of Toronto | Department of Economics | St. George | ECO 404 | Topics in Managerial Economics | Fall 2011 |
Thursdays 10 – 1, Room 106, Economics Department

Course Description

This course deploys economic models and methods for *quantitative* case analysis and is especially useful for students interested in consulting or advanced studies in business economics. Case analysis in ECO 404 is firmly rooted in and guided by economic models. As such, the course has a lecture-discussion format in which economic models and methods are first presented in lectures and then used for case analysis in discussions.

Case topics include: pharmaceutical R&D investment races; yield management in airlines and hotels; opportunity cost based and activity cost based accounting; inputs price and lot size negotiations; game theory analysis of market entry and price wars; forecasting; inventory management; offshore drilling; etc.

There are no tests or exams. Students are required to write two papers and make presentations. The course requires active participation and discussion in case analysis and Excel modeling.

Prerequisites: [ECO200Y1](#)(75%)/[ECO204Y1](#)/[ECO206Y1](#);
[ECO220Y1](#)/[ECO227Y1](#)/([STA250H1](#),[STA255H1](#))/([STA257H1](#),[STA261H1](#)); At least one FCE in ECO at the 300 level or higher.

Recommended Preparation: [ECO374H1](#)/[ECO375H1](#)

Course Staff

Instructor: [Ajaz Hussain](#)

Office Hours: Thursdays, 5 – 6 pm in [GE 212](#).

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Course Material

The following cases can be purchased from [Harvard Business School Press](#). To purchase, click [here](#), register as a student, pay by credit card, and download the .pdf files to your computer:

- Bitter Competition: The Holland Sweetener Company versus Nutrasweet (A), 9-794-079
- Accounting for Frequent Fliers. HBS case 9-192-040
- American Airlines: Revenue Management. HBS case 9-192-029
- NWA, Inc. Northwest Airline Revenue Management. HBS case 5-290-008
- The Ready-to-Eat Breakfast Cereal Industry in 1994 (A), HBS case 9-795-191
- The Ready-to-Eat Breakfast Cereal Industry in 1994 (B), HBS case 9-796-122
- Cook Composite and Polymers Co., HBS case 9-608-055
- The Philippines' Rising Bioethanol Industry, University of Hong Kong case HKU718
- M2 Universal Communications, Richard Ivey School of Business case 909E13
- Marriott Rooms Forecasting, Darden Business School case UV0354
- Milk and Money, Kellogg School of Management case KEL343
- Offshore Drilling Industry, HBS case 9-799-111
- An R&D Race, HBS case 9-190-108
- The Race to Develop Human Insulin, HBS case 9-191-121
- Compass Maritime Services, LLC: Valuing Ships, HBS case 9-211-014
- L.L. Bean Inc.: Item Forecasting and Inventory Management, HBS case 9-893-003

- The Professor Proposes, Richard Ivey School of Business case 906E17

Excel: Please add-in the Developer Tab and Data Analysis (VBA) and Solver tools ([instructions](#))

Course Evaluation

<p>Project 1 = 40% (Group) Paper and Excel Model</p> <p>2 submissions 1st submission not graded – feedback provided 2nd submission graded</p>	<p><u>1st Submission</u> Hard copy due in class Thursday, October 20th</p> <p><u>2nd Submission</u> Hard copy of paper and Excel model (USB/CD) due in class Thursday, November 3rd</p> <p>Soft copy of paper due through Turnitin.com by 11 pm Thursday, November 3rd course ID: 4348222, pw: quasi404</p>
<p>Project 2 = 40% (Individual) Paper and Excel Model</p>	<p>Hard copy of paper and Excel model (USB/CD) due in class Thursday, December 1st</p> <p>Soft copy of paper due through Turnitin.com by 11 pm Thursday, December 1st course ID: 4348222, pw: quasi404</p>
<p>Participation and Discussions = 10%</p>	<p>All students should read the assigned case <i>before</i> class Grade function of level of preparedness and participation in case discussions and analysis</p>
<p>Case Analysis Presentations = 10%</p>	<p>Students will form (or assigned) to groups</p> <p>In each lecture, a randomly chosen group will make a 20 minute PowerPoint presentation with backup slides and Excel models</p>

Papers Policies

- Group Project 1:
 - Submission #1
 - Please submit paper hard copy in class Thursday, October 20th
 - I will randomly assign students in groups of 3 to 4 persons
 - The first submission will not be graded but feedback will be provided which you must incorporate in the second submission
 - NOTE: If this preliminary paper is not submitted, you will receive a mark of zero (0) for this project.
 - Submission #:
 - Hard copy of paper and Excel model (USB/CD) due in class Thursday, November 3rd
 - Soft copy of paper due through [Turnitin.com](#) by 11 pm Thursday, November 3rd (course ID: 4348222, pw: quasi404)
 - Please name the file after your “group_name”
 - Penalty for late submissions: 5% for each day after deadline. It is your responsibility to write your name on the paper as it appears in ROSI. Failure to do so will result in a 5% penalty per incident.
- Individual Project 2:
 - Please submit hard copy of paper and Excel model (USB/CD) in class Thursday, December 1st
 - Soft copy of paper due through [Turnitin.com](#) by 11 pm Thursday, December 1st (course ID: 4348222, pw: quasi404)
 - File *must* be named Lastname_Firstname
 - Penalty for late submissions: 5% for each day after deadline. It is your responsibility to name the file as it appears in ROSI. Failure to do so will result in a 5% penalty per incident.

Disclaimer concerning Turnitin.com: *Students agree that by taking this course all required papers will be subject to submission for textual similarity review to Turnitin.com for the detection of plagiarism. All submitted papers will be included as source documents in the Turnitin.com reference database solely for the purpose of detecting plagiarism of such papers. The terms that apply to the University's use of the Turnitin.com service are described on the Turnitin.com web site.*

Academic Integrity

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community which honors the values of honesty, trust, respect, fairness and responsibility and to protect you, the students within this community, and the value of the degree towards which you are all working so diligently. According to Section B of the University of Toronto's [Code of Behavior on Academic Matters](#) which all students are expected to know and respect, it is an offence for students:

- To obtain unauthorized assistance on any assignment. showing another student completed work (e.g., an answer in a test)
- To falsify or alter any documentation required by the University. This, includes, but is not limited to, doctor's notes.
- To use or possess an unauthorized aid in any test or exam
- There are other offences covered under the [Code](#) but these are by far the most common. Please respect these rules and the values which they protect.