



BUSADMIN F610
Managerial Economics: Economics for Investment Decision Makers
Fall 2025 Course Outline

Finance and Business Economics Area
DeGroote School of Business
McMaster University

COURSE OBJECTIVE

This course is designed as an introduction to both managerial economics and the basics of financial management. Building off the foundation of the time value of money, the course explores capital budgeting in detail before exploring the impact that various economic forces will have on those projects. The purpose of this course is to enhance your capacity to do the job of a general manager responsible for making value-added investment decisions within your organization.

INSTRUCTOR AND CONTACT INFORMATION

Instructor

William Huggins

hugginsw@mcmaster.ca

Office: RJC 255

Office Hours: after class

Tel: (905) 525-9140 x20698

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
Avenue:	Yes	Ethics:	No	Numeracy:	Yes	Written skills:	No
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	No	Guest speaker(s):	No

COURSE DESCRIPTION

The course will provide students with a basic understanding of the fundamentals of capital budgeting and project selection based on the time value of money and risk-based pricing. It also introduces a number of economic topics and how they affect the investment decision, including: market structures, business cycles, government and central bank policies, demographics, and geopolitics. These skills will motivate evidence-informed judgments about alternate courses of action to produce creative, action-oriented, practical strategies to business challenges under various conditions.

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Understand the time value of money and discounted cash flow valuation.
 - Be able to assess the economic value of bonds and stocks.
 - Evaluate projects and make decisions based on projected financial information.
 - Understand the role of risk in portfolio decision-making and in the pricing of assets.
 - Utilize economic analytical techniques and evidence to support decision-making
 - Understand and anticipate risks/opportunities in the strategic interplay of competitors.
 - Choose between and defend your choice of optimal responses to economic conditions.
 - Assess where a country is in its business cycle, and be able to discern which factors will have a major impact on a country's potential economic growth.
 - Communicate economic concepts and recommendations to others persuasively using clear non-specialist language, in written and verbal form.
-

REQUIRED COURSE MATERIALS AND READINGS

Avenue for course content, and readings: <http://avenue.mcmaster.ca>
HBS Case Pack: See A2L

\$ FREE
\$ FREE

OPTIONAL COURSE MATERIALS AND READINGS

"Corporate Finance 6ce" Berk, DeMarzo, Strangeland. Pearson 2024

STRONGLY RECOMMENDED!!

BE AWARE OF THE POLICIES RELATED TO IMMEDIATE ACCESS (see Welcome announcement on A2L).
You must opt out by September 13th if you do not want to be billed for this.

EVALUATION

Learning in this course results from both individual foundational work, and integrative group work. The balance results from the lectures provided in class, from related textbook readings, and from researching your case study and projects. For assessments related to group work, all members will share the same grade adjusted by peer evaluation. Your final grade will be calculated as follows:

Components and Weights

Case Study (week 5)	Project Evaluation Report (group)	20%
Grit Week (week 6)	You'll Find Out! (group)	10%
Midterm Test (week 7)	A Test (individual)	25%
Industry Project (week 13)	Economic Analysis Report (group)	20%
Final Exam (exam period)	A Test (individual)	25%
Total		100%

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme:

LETTER GRADE	PERCENT	POINTS
A+	90-100	12
A	85-89	11
A-	80-84	10
B+	75-79	9
B	70-74	8
B-	60-69	7
F	00-59	0

Course Deliverables



Case Study (20%)

This is a project on capital budgeting which will help you to integrate the core lessons from the first weeks of the course. You will collaborate with your group to produce a written report which must be submitted via A2L (in the right dropbox).

Grit Week (10%)

The aspects of the integrative experience week which touch on this course will involve financial modelling and analysis, which you will need to overcome as a team. By design, details are not provided.

Midterm Test (25%)

There is a midterm exam to determine how well you are individually able to conduct capital budgeting and its attendant skills. It will cover material from the lectures, textbook, and class discussion. The test will **NOT** cover content from unique to the case or Grit Week project. This is a **closed-book** test but you will be permitted to prepare a one-sided crib sheet (standard size paper...)

Industry Project (20%)

This group project requires your team to apply the lessons from class to carry out a detailed economic analysis of a product or service, made or offered in Canada, of the group's choice. Your final report should be ~3000 words excluding figures, sources, and appendices. 15% is accorded to the content of your report, 5% to the visual presentation of your analytical work (see also O610 course outline).

Final Exam (25%)

There is a final exam to determine how well you are individually able to conduct economic analysis. It will cover material from the lectures, textbook, and class discussion. The test will **ONLY** cover content after the midterm exam. This is a **closed-book** test but you will be permitted to prepare a one-sided crib sheet (standard size paper...)

COMMUNICATION AND FEEDBACK

Students that are uncomfortable in directly approaching an instructor regarding a course concern may send a confidential and anonymous email to the respective Area Chair or Associate Dean:

<http://mbastudent.degroote.mcmaster.ca/contact/anonymous/>

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Administrative Assistant.

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the Academic Integrity Policy, located at:

www.mcmaster.ca/academicintegrity

Students are responsible for being aware of and demonstrating behaviour that is honest and ethical in their academic work. Such behaviour includes:

- following the expectations articulated by instructors for referencing sources of information and for group work;
- asking for clarification of expectations as necessary;
- identifying testing situations that may allow copying;
- preventing their work from being used by others (e.g., protecting access to computer files); and
- adhering to the principles of academic integrity when conducting and reporting research.

AUTHENTICITY/PLAGIARISM DETECTION

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.



COURSES WITH AN ONLINE ELEMENT

All courses use some online elements (e.g. e-mail, Avenue to Learn (A2L), LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

Students may be required to use the Respondus LockDown Browser and Respondus Monitor. The Respondus LockDown Browser is a downloadable program that allows a student to take an Avenue to Learn quiz in a secure environment. Quizzes may use LockDown Browser or Respondus Monitor. For more details about McMaster's use of Respondus Lockdown Browser please go to <https://avenuehelp.mcmaster.ca/exec/respondus-lockdown-browser-and-respondus-monitor/>

Continuation in a course that uses online elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

ONLINE PROCTORING

Some courses may use online proctoring software for tests and exams. This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the "Code"). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx, Teams, or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students' access to these platforms.



ATTENDANCE

Arriving late or missing class disrupts the learning experience for both you and your peers. Punctuality and attendance are crucial to maintaining a respectful, professional, and productive environment for everyone, including our faculty. Attendance will be recorded in each class to help identify students who may be at risk or in need of additional support.

Instructors will be using Top Hat to capture attendance in their classes. Attendance is recorded by submitting a unique 4-digit code displayed in your physical classroom using your personal device.

MISSED ACADEMIC WORK

Missed Mid-Term Examinations / Tests / Class Participation

Please do not use the online [McMaster Student Absence Form \(MSAF\)](#) as this is for Undergraduate students only. The MBA program will not accept an MSAF.

When students miss regularly scheduled term work which contributes 10% or more to the final grade, for legitimate reasons as determined by the Student Experience – Academic Office (SEAO (Student Experience Academic Office)), the activity necessary to compensate for the missed work will be determined by the course instructor. The compensatory activities assigned will vary with the nature of the course and the missed requirement. They include, but are not restricted to, an alternative assignment, a rescheduled midterm exam, or re-weighting the marks for the missed component to other mark components. Documentation explaining such missed work must be provided to the SEAO (Student Experience Academic Office) within five (5) working days of the scheduled date for completion of the work.

Acceptable reasons for missed work, along with the [Petition for Missed Term Work](#) and the [MBA Student McMaster University Student Health Certificate](#), can be found on the DeGroote MBA Student website (mbastudent.degroote.mcmaster.ca). Please direct any questions about acceptable documentation to the MBA Academic Advisors (askmba@mcmaster.ca).

University policy states that a student may submit a maximum of three (3) [Petition for Missed Term Work](#) per academic year, after which the student must meet with the Director of the program.

If term work is missed without an approved reason, students will receive a grade of zero (0) for that component.

Missed Final Examinations

Students must be available for the duration of the posted exam period regardless of their personal exam schedule. This is to ensure student availability throughout the entire exam period in the event that an exam must be rescheduled due to unforeseen circumstances (university closure, power outage, storm policy, etc.). A student who misses a final examination without valid reason will receive a mark of 0 on the examination.

Students who have missed a final exam for a valid reason can apply to the SEAO (Student Experience Academic Office) to write a deferred examination by submitting an [Application for Deferring a Final Exam](#) with supporting documentation. The application must be made within five days of the scheduled exam.

The [Application for Deferring a Final Exam](#) and the [MBA Student McMaster University Student Health Certificate](#) can be found on the DeGroote MBA Current Student website (mbastudent.degroote.mcmaster.ca)

Deferred examination privileges, if granted, are normally satisfied during the examination period at the end of the following semester. In select cases, the deferred examination may be written at a time facilitated by the SEAO (Student Experience Academic Office) (Student Experience Academic Office) and agreed to by the course instructor.

Requests for a second deferral or rescheduling of a deferred examination will not be considered.

ACADEMIC ACCOMMODATION FOR STUDENTS WITH DISABILITIES

Student Accessibility Services (SAS) offers various support services for students with disabilities. Students are required to inform SAS of accommodation needs for course work at the outset of term. Students must forward a copy of such SAS accommodation to the instructor normally, within the first three (3) weeks of classes by setting up an appointment with the instructor. If a student with a disability chooses NOT to take advantage of an SAS accommodation and chooses to sit for a regular exam, a petition for relief may not be filed after the examination is complete. The SAS website is:

<http://sas.mcmaster.ca>

Use of Test Accommodations at McMaster University Burlington Campus Ron Joyce Centre

Whereas Student Accessibility Services (SAS), on Main Campus, determines all MBA student accommodations, the MBA Faculty Office manages the coordination of accommodations for tests, midterms, and exams at the Ron Joyce Centre in Burlington.



Process for Students

- Students must activate their accommodation(s) (e.g., extra-time, memory aid, etc.) for each upcoming test, midterm, or exam, at least two weeks in advance. Students can do this by emailing their Instructor and the DeGroote MBA SAS scheduling office at DSBSAS@mcmaster.ca. If a student cannot meet this deadline, they should contact DSBSAS@mcmaster.ca to discuss alternative arrangements. The program is committed to exploring flexibility where possible to support students.
- All tests, midterms, and exams are booked synchronously with the class's start time. Any deviations from the start time (e.g. start earlier than the class to enable completion at the same end time) requires a discussion with their instructor on protocol at the time of accommodation activation.
- Students will leverage the accommodation (e.g., extra-time, memory aid, etc.), in a designated testing room. Rooms will be booked according to the student's SAS accommodation. Unless the accommodation states otherwise, students should expect that they will be writing in a room with other students. One or more invigilators will always be in the room.
- Following the request to activate the accommodation(s), dsbsas@mcmaster.ca will reach out to the student with their test, midterm, or exam details, including the date, time, and room number. As there may be other students writing tests in the room, we ask that students enter the room quietly and leave all personal items at the front of the room.

All policies and procedures, including restroom access, how extra-time is allocated for assessments under Universal Design, and the submission of memory aids in advance, are consistent with those of SAS on Main Campus. The only variance in procedure is communication around, and physical location of, assessment. There is not a dedicated testing space at RJC. Existing classrooms and lecture halls will be used for most testing. All SAS-approved accommodations will be honoured by our staff; however, core testing elements are not eliminated in alternative testing formats. Students should expect and plan for invigilation, incidental noise, and other potential distractions.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to the SEAO (Student Experience Academic Office) **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.



COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect original literary, dramatic, musical and artistic work, **including lectures** by University instructors

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this concerns you.

POTENTIAL MODIFICATION TO THE COURSE

The instructor and university reserve the right to modify elements of the course during the term. The university may change the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your registration and continuous participation (e.g. on A2L, in the classroom, etc.) to the various learning activities of MBA F610 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

ARTIFICIAL INTELLIGENCE

Students are not permitted to use generative AI in this course. In alignment with [McMaster academic integrity policy](#), it “shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source”. This includes work created by generative AI tools. Also state in the policy is the following, “Contract Cheating is the act of “outsourcing of student work to third parties” (Lancaster & Clarke, 2016, p. 639) with or without payment.” Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

COURSE SCHEDULE

MBA F610
Managerial Economics: Economics for Investment Decision Makers
Fall 2025 Course Schedule

WEEK	DATE	CONTENT AND ASSESSMENTS
1	Sept 8-9	Lecture: Course Introduction, Overview of the Financial System Supporting Chapters: 1
2	Sept 15-16	Lecture: The Time Value of Money Supporting Chapters: 3.1-3, 4, 5.1, 5.2
3	Sept 22-23	Lecture: Capital Budgeting Supporting Chapters: 8, 9
4	Sept 29 will be recorded and posted No Class Sept 30	Lecture: Pricing Securities Supporting Chapters: 5.3, 6, 7.1, 7.2 DUE: Case Study (20%) – Oct 5
5	Oct 6-7	Lecture: Risk, Return, and Portfolios / Case Discussion Supporting Chapters: 10.1 - 10.6, 11.1 – 11.3
6	Oct 14-17	GRIT WEEK (10%)
7	Oct 20-21/*23*	(Extra office hours during class time M/T) MIDTERM TEST – OCT 23, 1-4pm (25%) calculator and one-sided crib-sheet
8	Oct 27-28	Lecture: The Cost of Capital Supporting Chapters: 5.4, 5.5, 10.7, 10.8, 11.4 – 11.8, 12

9	Nov 3-4	Lecture: Demand and Supply Supporting Chapters: 3, 5, 6, 7
10	Nov 10-11	Lecture: Markets, Competition, and Regulation Supporting Chapters: 8, 9, 11, 16
11	Nov 17-18	Lecture: Business Cycles Supporting Chapters: 19, 24, 25, 26
12	Nov 24-25	Lecture: Fiscal and Monetary Policies Supporting Chapters: 28, 30, 31
13	Dec 1-2	Lecture: Economic Growth and National Strategies Supporting Chapters: 20, 32, 33, 34 DUE: Industry Project – group report (20%) – Dec 5

Supporting chapters listed for lectures 9-13 are from “Principles of Economics” by Greenlaw, Shapiro, and Taylor, available for free at the link below.

Our course condenses topics explored in (considerably more) detail by the text so use it as a reference as several chapters support each lecture but you are NOT expected to read them all:

<https://openlibrary.ecampusontario.ca/item-details/#/c20feec4-4f52-4205-a4de-40ceb1ca653a>