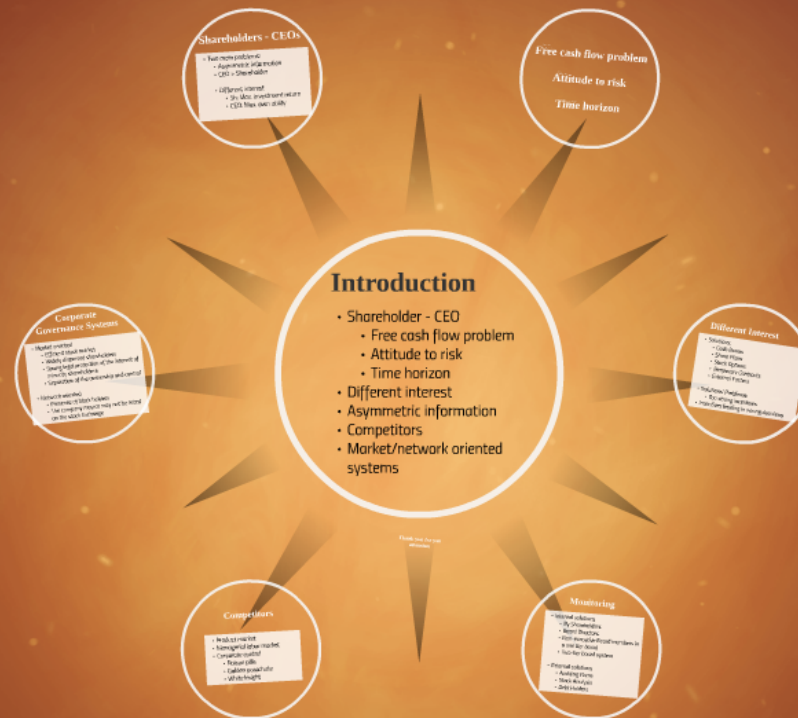


Managerial Economics



Managerial Economics



Introduction

- Shareholder - CEO
 - Free cash flow problem
 - Attitude to risk
 - Time horizon
- Different interest
- Asymmetric information
- Competitors
- Market/network oriented systems

Shareholders - CEOs

- Two main problems:
 - Asymmetric information
 - CEO > Shareholder
- Different interest
 - Sh: Max. investment return
 - CEO: Max. own utility