Syllabus

Instructor: Marco A. Castaneda

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Lectures: RBN 3035
W 6:00-8:45PM

Hours: TR 1:30-3:00PM

1 Description

This is a course in microeconomic theory with applications to business analysis and strategy. The material in the course is generally referred to as “managerial economics” and will include basic optimization and analytical techniques useful for understanding the behavior and performance of a business. The material to be covered includes a review of the analysis of perfectly competitive markets as well as the analysis of strategic behavior and imperfect competition. In addition, we will cover selected topics in business strategy and the economics of organization.

Program Outcomes: The material in this course contributes to the following program outcomes:

i. The students will be able to demonstrate a working knowledge of the basic economic principles and analytical techniques used in business analysis and strategy.

Learning Outcomes: At the completion of this course,

i. The students will be familiar with the basic formal analytical techniques used in managerial economics and business strategy, which include basic optimization techniques and the analysis of imperfect competition and strategic behavior.

ii. The students will have a better understanding of the structure and performance of markets in the real world and of the main factors which determine the performance of a business.

The students will learn the material by reading the textbook, attending the lectures, and completing a number of problem sets. The comprehension of the material will be measured by the performance of the students on the problem sets, quizzes, and examinations.
2 Prerequisites

The only formal academic prerequisite for this course is a course in introductory microeconomics. A course in calculus and a course in probability and statistics would be helpful, but are not required.

a. Textbook

The required textbook for the course is Michael R. Baye (2010), Managerial Economics and Business Strategy 7e, (McGraw-Hill). This book will be the main source for the material in this course. This is a relatively non-technical book and contains good introductions and intuitive explanations for much of the material we will cover.

b. Mathematics

I will present the material in a student-friendly form, which means simple models with simple functional forms. I believe you can obtain the intuition behind the phenomena from a simple model and understand that the results can be extended to more general formulations. Therefore, the only mathematics required for the course are algebra and elementary calculus, which I will review as needed.

3 Structure of the course

I will dedicate as much time to the course as necessary. The material in the course is closely related to my research interests and I intend to make this course a fun and productive experience for you.

a. Lectures

Research in Psychology has demonstrated that a central element in the learning process is active participation by the learner. I understand lectures can promote passive observation rather than active participation. Therefore, to promote active participation, my lectures will generally include:

i. Presentation of technical material in which students participate in the derivation of the results,

ii. Discussion of the results and implications for the real world, and

iii. The opportunity for students to work in teams on practice problems.

The lectures will be more fun and productive if you have read the material ahead of time and come to class prepared to contribute to the discussion.

b. Grades

Your grade for the course will be determined by your performance in the homework, quizzes, and examinations.
i. Examinations

There will be a MIDTERM examination and a FINAL examination. Your performance on each examination will determine 25% of your grade. The exams will be in class and closed book -- you may not consult the text or any other material and you may not communicate with other students while taking the exam. The exams will generally consist of problems similar to the ones presented in class or in the homework.

There will be no make up examinations. Therefore, if you cannot take the MIDTERM examination, contact me as soon as possible. You may obtain an excused absence from the midterm, but then the other examination will determine a larger percentage of your grade. You must take the FINAL examination on the date scheduled by the university. Therefore, look up the date and mark your calendars.

ii. Quizzes

There will be a number of quizzes during the semester and your performance on the quizzes will determine 25% of your grade. The quizzes will be online and you will have access to your textbook and lecture notes. The quizzes are intended to make sure that you are reading the required material in your textbook.

iii. Homework

A number of homework sets will be distributed during the semester and your performance on the homework will determine 25% of your grade. To obtain full credit in the homework, your work must be correct and must be turned in on time. You are encouraged to work with other students, but you should write and turn in your own homework.

iv. Attendance

You are required to attend and participate in class because attendance and participation are essential if you want to do well in this class. For instance, I will cover material not contained in the textbook but that I will include in the homework and exams.

4 Outline

This section provides a tentative outline for the material we will cover in the course and the approximate dates. We will not cover every topic in every chapter and I will adjust the outline if necessary.

1 INTRODUCTION

Introduction and review of mathematics
DATE: Week 1
READ: Chapter 1
2  COMPETITVE MARKETS

Demand and supply analysis for competitive markets
DATE: Week 2
READ: Chapters 2

Quantitative demand analysis
DATE: Week 3
READ: Chapter 3

Consumers
DATE: Week 4
READ: Chapter 4

Producers
DATE: Week 5
READ: Chapter 5
Chapter 8 [Competitive Markets]

3  MONOPOLY

The Analysis of Monopoly Markets
DATE: Week 6
READ: Chapter 8 [Monopoly and Monopolistic Competition]

Review
DATE: Week 7
READ: Review

Midterm Examination
DATE: Week 8 [MAR 6]
READ:

Spring Break
DATE: Week 9
READ:

4  IMPERFECT COMPETITION

Introduction to Game Theory I
DATE: Week 10
READ: Chapter 7
    Chapter 10

Introduction to Game Theory II
DATE: Week 11
READ: Chapter 10
5 BUSINESS STRATEGY

Incentives in Organizations
DATE: Week 12
READ: Chapter 6

Price Strategies
DATE: Week 13
READ: Chapter 11

Extensions: Product Differentiation, Network Markets, Complementary Products
DATE: Week 14
READ: Chapter

The Economics of Information
DATE: Week 15
READ: Chapter 12

Review
DATE: Week 16
READ:

Final Examination
DATE: Week 17 [MAY 8]

OPTIONAL SUPPLEMENTARY READINGS


UNIVERSITY POLICIES

Students Rights and Responsibilities
To know and understand the policies that affect your rights and responsibilities as a student at UT Tyler, please follow this link:
http://www2.uttyler.edu/wellness/rightsresponsibilities.php

Grade Replacement/Forgiveness and Census Date Policies
Students repeating a course for grade forgiveness (grade replacement) must file a Grade Replacement Contract with the Enrollment Services Center (ADM 230) on or before the Census Date of the semester in which the course will be repeated. Grade Replacement Contracts are available in the Enrollment Services Center or at http://www.uttyler.edu/registrar. Each semester’s Census Date can be found on the Contract itself, on the Academic Calendar, or in the information pamphlets published each semester by the Office of the Registrar. Failure to file a Grade Replacement Contract will result in both the original and repeated grade being used to calculate your overall grade point average. Undergraduates are eligible to exercise grade replacement for only three course repeats during their career at UT Tyler; graduates are eligible for two grade replacements. Full policy details are printed on each Grade Replacement Contract.

The Census Date is the deadline for many forms and enrollment actions that students need to be aware of. These include:
- Submitting Grade Replacement Contracts, Transient Forms, requests to withhold directory information, approvals for taking courses as Audit, Pass/Fail or Credit/No Credit.
- Receiving 100% refunds for partial withdrawals. (There is no refund for these after the Census Date)
- Schedule adjustments (section changes, adding a new class, dropping without a “W” grade)
- Being reinstated or re-enrolled in classes after being dropped for non-payment
- Completing the process for tuition exemptions or waivers through Financial Aid

State-Mandated Course Drop Policy
Texas law prohibits a student who began college for the first time in Fall 2007 or thereafter from dropping more than six courses during their entire undergraduate career. This includes courses dropped at another 2-year or 4-year Texas public college or university. For purposes of this rule, a dropped course is any course that is dropped after the census date (See Academic Calendar for the specific date). Exceptions to the 6-drop rule may be found in the catalog. Petitions for exemptions must be submitted to the Enrollment Services Center and must be accompanied by documentation of the extenuating circumstance. Please contact the Enrollment Services Center if you have any questions.

Disability Services
In accordance with Section 504 of the Rehabilitation Act, Americans with Disabilities Act (ADA) and the ADA Amendments Act (ADAAA) the University offers accommodations to students with learning, physical and/or psychiatric disabilities. If you have a disability, including non-visible disabilities such as chronic diseases,
learning disabilities, head injury, PTSD or ADHD, or you have a history of modifications or accommodations in a previous educational environment you are encouraged to contact the Student Accessibility and Resources office and schedule an interview with the Accessibility Case Manager/ADA Coordinator, Cynthia Lowery Staples. If you are unsure if the above criteria apply to you, but have questions or concerns please contact the SAR office. For more information or to set up an appointment please visit the SAR office located in the University Center, Room 3150 or call 903.566.7079. You may also send an email to cstaples@uttyler.edu

Student Absence due to Religious Observance
Students who anticipate being absent from class due to a religious observance are requested to inform the instructor of such absences by the second class meeting of the semester.

Student Absence for University-Sponsored Events and Activities
If you intend to be absent for a university-sponsored event or activity, you (or the event sponsor) must notify the instructor at least two weeks prior to the date of the planned absence. At that time the instructor will set a date and time when make-up assignments will be completed.

Social Security and FERPA Statement:
It is the policy of The University of Texas at Tyler to protect the confidential nature of social security numbers. The University has changed its computer programming so that all students have an identification number. The electronic transmission of grades (e.g., via e-mail) risks violation of the Family Educational Rights and Privacy Act; grades will not be transmitted electronically.

Emergency Exits and Evacuation:
Everyone is required to exit the building when a fire alarm goes off. Follow your instructor’s directions regarding the appropriate exit. If you require assistance during an evacuation, inform your instructor in the first week of class. Do not re-enter the building unless given permission by University Police, Fire department, or Fire Prevention Services.