

**ECP 5702
ECONOMICS OF BUSINESS DECISIONS
SPRING 2018**

INSTRUCTOR: Roger Blair
rdblair@ufl.edu
342 Matherly Hall
(352) 392-0179
(352) 392-7860 (FAX)

OFFICE HOURS: Monday, Tuesday, and Wednesday 8:00 – 9:30am
TEACHING ASSISTANT: Michael Teeple
teepmr@ufl.edu

TEXT: *The Economics of Managerial Decisions* by Roger D. Blair
and Mark Rush

PURPOSE OF COURSE

The purpose of this course is to provide an analytical foundation for making economically sound managerial decisions. To this end, we will develop a few microeconomic principles and apply them to a variety of managerial problems. Through in-class discussions, exercises, and homework problems, I hope to build your confidence in these analytical tools. The content of this course will provide an economic foundation for the subject matter of your courses in finance, management, and marketing. I want to emphasize that memorization is pointless. Instead, you will find that understanding a few basic principles will allow you to analyze economic problems of all sorts.

COURSE REQUIREMENTS

It will be useful to read the text material and solve the homework problems. Michael Teeple will hold office hours (to be specified later) for those of you who need some assistance with the material. Each exam will account for 50% of your grade.

EXAMINATION SCHEDULE

There will be two exams during the semester. Exam 1 will be January 31st during the regular class period, and Exam 2 will be given on February 26th from 9:30am-11:30am in the regular classroom.

Each exam will be worth 50% of your final grade.

Please clear your social calendar for these events.

These exams will involve multiple choice problems, solving problems and writing short essays. An unsupported correct answer will not receive full credit. You may find it frustrating when everything you write is correct, but you lose points because your explanation is incomplete. That, however, is the nature of essay exams.

There should be no need for a curve. If necessary, however, I will adjust the grading scale, but only in your favor. The grading scale is as follows:

A:	90 - 100
A-:	87- 89
B+:	83 - 86
B:	80 - 82
B-:	77 - 79
C+:	73 - 76
C:	70 - 72
C-:	67 - 69
D+:	63 - 66
D:	60 - 62
D-:	57- 59
E:	0 – 56

NOTE: Grades will not be rounded up. For example, an average of 89.75 is below 90 and, therefore, is an A- not an A

HOMEWORK ASSIGNMENTS

At the end of each chapter, there are a number of problems and questions. You should review these to see if you understand the text material. The more of these you do the better your exam performance will be. I will assign specific questions for each lecture.

DETERMINATION OF FINAL GRADE

I promise to do my best to make the course requirements as clear as possible. If anything is unclear, then it is *your* responsibility to ask me for clarification. I am also delighted to respond to any questions both in and out of class throughout the semester to help you succeed in this course. Ultimately, however, the grade that you earn in this course is *your* responsibility. Please note that I do not *give* you a grade; rather, you *earn* a grade. You know what grade you need to earn or want to earn for the purposes of honors, graduation, major and minor requirements, and so forth. If, at the end of the semester, you have not earned the grade that you initially set your sights on, I will commiserate with you. I will even shed a tear as I try to console you. But the one thing that I absolutely will NOT do is change your grade because the grade you want is different from the grade that you earned. Again, it is up to you to put forth the effort to earn the grade that you desire.

POLICY MATTERS

1. You are required to comply with the University's honesty policy regarding cheating and the use of copyrighted materials. Cheating will not be tolerated – if you cheat, you will fail and you will be reported to the Dean of Students for disciplinary action. Here is some guidance from the UF policy statement, prohibited collaboration or consultation shall include but is not limited to:

- a. Collaborating when not authorized to do so on an examination, take-home test, writing project, assignment, or course work.

b. Collaborating or consulting in any other academic or co-curricular activity after receiving notice that such conduct is prohibited.

c. Looking at another student's examination or quiz during the time an examination or quiz is given. Communication by any means during that time, including but not limited to communication through text messaging, telephone, e-mail, other writing or verbally, is prohibited unless expressly authorized.

Plagiarism. A student shall not represent as the student's own work all or any portion of the work of another. Plagiarism includes but is not limited to:

1. Quoting oral or written materials including but not limited to those found on the internet, whether published or unpublished, without proper attribution.

2. Submitting a document or assignment which in whole or in part is identical or substantially identical to a document or assignment not authored by the student.

The honor code can be found here:

<http://www.dso.ufl.edu/sccr/process/student-conduct-honor-code/>

2. Attendance in class is mandatory. Every unexcused absence will reduce your final grade by 1 point.

3. Late arrivals distract me and the other students in the class. Be professional and be on time. Tardiness will not be tolerated on your next job. In this class, if you are more than five minutes late, you will be considered absent.

4. If you have an excused absence, exams can be made up at a mutually agreed date.

5. Since each class is a business meeting, you should be prompt and prepared. Please silence your cell phone to avoid distracting your classmates (and me!). If you feel compelled to leave class so you can answer a call or text, take your things with you as you will not be welcome back. You must put your cell phone away. It may not be on your desk during class.

6. Students with disabilities who require classroom accommodation should contact me early in the semester, so we can discuss individual needs.

7. Please check your e-mail for announcements. This is your responsibility. If you miss any important information because you failed to check your email, no accommodation will be made – you will bear the consequences.

8. I will go over the exams on the day that they are returned. You have one week to appeal the grades that you receive. If you do not begin the appeal process by that date, your grade will be final. Any appeal must begin with your contacting my TA by e-mail. If you appeal your grade, the exam will be re-graded in its entirety. As a result, your grade may go up or down depending upon the circumstances.

CELL PHONE POLICY

UF policy regarding cell phones does not allow me to require that your cell phone be turned off. But I may require that you silence your cell phone. Also I can forbid you to check your phone during class. Based on this, here is my cell phone policy:

1. Your phone may not “ring” during class. If your phone rings, I will ask you to leave the class.

2. Your phone may not be on your desk. It must be stowed in a purse, book bag, backpack, or briefcase. If you have your phone out during class, you will be asked to leave class.

Note: There is evidence that Silicon Valley programmers have made your smart phone addictive. Please see the transcript of a “60 Minutes” segment that aired on June 11, 2017.

COURSE OUTLINE

January

8 Introduction/Syllabus – Chapter 1

10 Demand and Demand Elasticity – Chapter 2 and 3.4

15 MLK DAY NO CLASS

17 Supply, Market Equilibrium – Chapters 2 and 3

22 Cost Functions – Chapter 4

24 Competition and Profit Maximization – Chapter 5

29 Monopoly and Monopoly Power – Chapter 6 (Omit 6.3)

31 EXAM 1

February

5 Oligopoly and Cartels – Chapter 7

7 Pricing Decisions – Chapter 10 (Omit commodity bundling)

12 Decisions under Uncertainty – Chapter 14 (Omit 14.3)

14 Products and Production – Chapter 12 (12.1, 12.2, 12.4 only)

19 Advertising and Promotion – Chapter 13 (13.1, 13.2, 13.4, 13.5 only)

21 Multiperiod Business Decisions – Chapter 16 (Omit 16.3)

26-28th Exam Week

