

# **ECP 5705: Economics of Business Decisions**

## **Instructor**

**Dr. Thomas Knight**

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## **Required Materials:**

1. *The Economics of Managerial Decisions* by Roger D. Blair and Mark Rush
2. **Cases Course Pack:** <https://hbsp.harvard.edu/import/744567>

## **COURSE DESCRIPTION**

The purpose of this course is to provide an analytical foundation for making sound managerial decisions. To this end, we will investigate a number of microeconomic models and develop many important and well-known results. We will apply the intuition and insights that these models offer to a variety of managerial problems with which you may be faced in your future as a manager. Through in-class discussions and exercises (ungraded), problem sets (graded), case reports (graded), and a final exam (graded), I hope to build your confidence in employing these analytical tools and to equip you with the requisite knowledge for making sound managerial decisions.

The content of this course will provide the microeconomic foundation for the topics covered in your finance, management, and marketing courses. I should emphasize that memorization will not be a strong study strategy, and even more importantly, memorization of specific examples and problems from class will not be particularly helpful in your career. Instead, gaining a working understanding of some basic microeconomic principles and developing competence with the analytical tools covered in this course will allow you to analyze numerous unfamiliar managerial problems.

## **CORE REQUIREMENTS**

1. Continued enrollment in this course is equivalent to acceptance of all stated responsibilities, policies, and due dates. If there is anything that is unclear, talk to me *immediately*. Waiting until the end of the term often results in less favorable outcomes.
2. Students are expected to attend synchronous class meetings, either in person or remotely in Zoom. I encourage you to ask questions during these lectures to make the classroom environment as interactive and engaging as possible.
3. Students are expected to complete four analytic problem sets. These problem sets relate to the topics of the preceding lectures, are intended to offer you practice with the relevant mathematical techniques, and should help prepare you for the final exam. In some cases, questions offer important extensions of the material covered in class. *See Page 2 for a more thorough explanation.*
4. Students are expected to complete three case report assignments. These short writing assignments are intended to connect the lecture material to real-world applications. They will include a response to a short case study.
5. There is a cumulative final exam that is required for successful completion of this course. This exam is an online, closed-book exam, and is to be taken individually. As the course progresses, I will explain the structure and composition of the exam.

### **CLASS MEETINGS**

We will have seven class meetings and a separate final exam. The first class meeting will take place online through Zoom. We anticipate that class meetings after August 28<sup>th</sup> will take place on campus, but the University and UF Health are closely monitoring the public health situation and may revisit this plan based on local pandemic data. All classes will be streamed online, and recordings will be available to all enrolled students – you do not need to request access or have a physical absence excused.

All lectures will be video recorded. These recordings will be posted in Canvas and remain available until the end of the course. This practice is intended to accommodate any technical issues that may arise with streaming classes, as well as any necessary absences. It also allows you to revisit the lectures when studying for the final exam.

Students who participate with their camera engaged or utilize a profile image are agreeing to have their video or image recorded. If you are unwilling to consent to have your profile or video image recorded, be sure to keep your camera off and do not use a profile image. Likewise, students who un-mute during class and participate verbally are agreeing to have their voices recorded. If you are not willing to consent to have your voice recorded during class, you will need to keep your mute button activated and communicate exclusively using the "chat" feature, which allows students to type questions and comments live. The chat will not be recorded or shared.

As in all courses, unauthorized recording and unauthorized sharing of recorded materials is prohibited.

### **COURSE COMMUNICATIONS**

Announcements concerning the class will typically be made during class meetings and by email. You are responsible for all information made available through both of these avenues of communication. It is assumed that you are attending each lecture or watching the recording in a timely fashion, and that you are regularly monitoring your UF email account (i.e., checking it daily).

I will not use the Canvas messaging feature, nor respond to these messages. I archive all email messages, and Canvas does not generate a usable record of our correspondence. Send all email correspondence to [thomas.knight@ufl.edu](mailto:thomas.knight@ufl.edu).

### **COURSE GRADING POLICY**

Grades are calculated and assigned according to a total point system. There are 100 possible points, and the breakdown is as follows:

- 1) Each of the 4 Problem Sets is worth 10 possible points.
- 2) Each of the 3 Case Report Assignments is worth 10 possible points.
- 3) The Final Exam is worth 30 possible points.

I will use this calculation to determine each student's within class standing and assign final grades based on that information.

### **FINAL EXAM**

The Final Exam will be administered virtually in Canvas using the Honor Lock proctoring service. This is a closed book/closed note exam. All students must compete this exam synchronously (i.e., at the same time) to maintain academic integrity. The exam will be held 9:00-11:00am on Saturday, October 24. You must begin the exam no more than 15 minutes after the start time. Otherwise, your score will be invalidated.

Non-programmable, four-function and scientific calculators are allowed; no other calculators are permitted. You may not use a graphing calculator or any device with communications abilities. The use of cell phones, PDAs, or any other programmable device during an exam is not allowed, and violating this policy constitutes a violation of the University of Florida Student Honor Code.

### **PROBLEM SET GUIDELINES**

There are four problem sets required for successful completion this course. These problem sets are designed to provide you with practice with the theories, models, and analytical tools covered in the course. My hope is that these problem sets will assist you in understanding of the technical content of this course, and in preparing for the final exam.

You should submit a PDF file into Canvas by the deadline. Your scanned submission should be high-quality and professionally presented. Your handwriting must be legible, and graphs must be accurate. Responses that are not clearly correct and presented professionally will not earn credit. Late submissions will not be accepted.

You may work in groups, but each student is responsible for turning in his or her own work, which must include his or her own individual mathematical derivations and written explanations.

### **PROBLEM SET SCHEDULE**

<b><u>Problem Set</u></b>	<b><u>Opening Date</u></b>	<b><u>Due Date</u></b>
Problem Set 1	Sunday, Aug. 9 @ 12pm	Monday, Aug. 17 @ 8am
Problem Set 2	Sunday, Aug. 30 @ 12pm	Tuesday, Sept. 8 @ 8am
Problem Set 3	Sunday, Sept. 13 @ 12pm	Monday, Sept. 21 @ 8am
Problem Set 4	Sunday, Oct. 4 @ 12pm	Monday, Oct. 12 @ 8am

### **CASE REPORT GUIDELINES**

There are three Case Reports required for successful completion this course. These assignments are designed to connect potentially abstract conceptual content to real-world examples. Each assignment will relate to a different case study from the Harvard Business Publishing course pack: <https://hbsp.harvard.edu/import/744567>

You should submit a PDF file into Canvas by the deadline. Your scanned submission should be high-quality and professionally presented. Responses that are not clearly correct and presented professionally will not earn credit. Late submissions will not be accepted.

You may discuss these assignments with your classmates. Your report should, however represent your own summary and analysis of the relevant issues in each case. And you must submit your own individual assignment.

### **CASE REPORT SCHEDULE**

<b><u>Case Report</u></b>	<b><u>Opening Date</u></b>	<b><u>Due Date</u></b>
Case Report 1	Monday, Aug. 17 @ 8am	Monday, Aug. 24 @ 8am
Case Report 2	Monday, Sept. 21 @ 8am	Monday, Sept. 28 @ 8am
Case Report 3	Monday, Oct. 12 @ 12pm	Monday, Oct. 19 @ 8am

### **ACADEMIC HONESTY**

**You may collaborate on the Case Report Assignments and Problem Sets, but you should turn in your own submission that represents your own efforts and analyses. The final exam is taken individually.**

**You are expected to abide by the University's rules for academic honesty. These rules are available for your review at <https://sccr.dso.ufl.edu/process/honor-code/>.**

**I take these rules very seriously and am committed to upholding the policies and integrity of the University of Florida and the UF MBA program. Cheating, plagiarism, or any other behavior that violates these rules will be prosecuted to the fullest extent.**

## **COURSE OUTLINE (AND ASSIGNMENT SCHEDULE)**

- L1     Aug. 9            Syllabus and Introduction to Managerial Decisions**  
*Chapter 1*  
**Supply and Demand**  
*Chapter 2*

**PROBLEM SET 1 due Monday, August 17 (8:00am)**

**CASE REPORT 1 due Monday, August 24 (8:00am)**

- L2     Aug. 29            Supply and Demand**  
*Chapter 2 (continued) and Chapter 3 (Section 3.4 only)*
- L3     Aug. 30            Production and Costs**  
*Chapter 4*  
**Competitive Markets**  
*Chapter 5*

**PROBLEM SET 2 due Tuesday, September 8 (8:00am)**

- L4     Sept. 12            Monopoly Markets**  
*Chapter 6*  
**Advanced Pricing Decisions**  
*Chapter 10*
- L5     Sept. 13            Cartels and Oligopoly**  
*Chapter 7*  
**Game Theory and Oligopoly**  
*Chapter 8*

**PROBLEM SET 3 due Monday, September 21 (8:00am)**

**CASE REPORT 2 due Monday, September 28 (8:00am)**

- L6     Oct. 3                Decisions about Vertical Integration and Distribution**  
*Chapter 11*  
**Decisions about Production, Products, and Location**  
*Chapter 12*
- L7     Oct. 4                Advertising and Promotion**  
*Chapter 13*  
**Uncertainty**  
*Chapter 14*  
**Managerial Decisions about Information**  
*Chapter 15*

**PROBLEM SET 4 due Monday, October 12 (8:00am)**

**CASE REPORT 3 due Monday, October 19 (8:00am)**

- L8     Oct. 24                FINAL EXAM (@ 9:00am)**