

ECP 5705: Economics of Business Decisions

Instructors

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

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), 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 all in-person class meetings. I encourage you to ask questions during these lectures to make the classroom environment as interactive and engaging as possible. This will be more enjoyable for everyone, and you will get more out of the course.
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. There is a cumulative final exam that is required for successful completion of this course. This exam is an in-class, closed-book exam, and is to be taken individually. As the course progresses, I will explain the structure and composition of the exam.

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, 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 using your UF email account

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) The Final Exam is worth 60 possible points.

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

FINAL EXAM

The Final Exam will be administered during our final class meeting on Saturday, April 20. This is a closed book/closed note exam. While you will have the complete class period to complete this exam, it has been written to take no more than 90 minutes.

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 the technical content of this course, and in preparing for the final exam.

You should submit a single 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 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. Submitting another student's work as your own constitutes a violation of the UF Honor Code and will be reported to the Dean of Students Office.

All Problem Sets should be submitted to Canvas by the posted due date and time. Late submissions will not be accepted, even a few minutes late. Additionally, submissions MUST adhere to the following guidelines:

- 1) All submissions should be typed (including math equations) and sent in a PDF file.
- 2) Assignments should be professionally presented. Your name should appear at the top of each page as a header, and pages should be numbered.
- 3) All graphs should be legible and accurate. You may hand-draw and scan them into your document, but they must be accurate (i.e., graph paper and a straightedge). Approximations and sloppy expositions are rarely sufficient for receiving credit.

PROBLEM SET SCHEDULE

<u>Problem Set</u>	<u>Opening Date</u>	<u>Due Date</u>
Problem Set 1	Sunday, Jan. 14 @ 5pm	Monday, Jan. 22 @ 8am
Problem Set 2	Sunday, Feb. 4 @ 5pm	Monday, Feb. 12 @ 8am
Problem Set 3	Sunday, Feb. 25 @ 5pm	Monday, March 4 @ 8am
Problem Set 4	Sunday, March 24 @ 5pm	Monday, April 1 @ 8am

ACADEMIC HONESTY

Students are bound to not cheat or plagiarize, and are bound by The Honor Pledge which states, "We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honor and integrity by abiding by the Honor Code. On all work submitted for credit by students at the University of Florida, the following pledge is either required or implied: 'On my honor, I have neither given nor received unauthorized aid in doing this assignment.'"

You should familiarize yourself with the [UF Student Honor Code](#). Cheating and plagiarism are not the only violations of this policy. Importantly, ignorance of a policy is not a valid reason for violating it.

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

STUDENTS REQUIRING ACCOMODATIONS

Students with disabilities requesting accommodations should first register with the Disabilities Resource Center (392-8565; <https://disability.ufl.edu/>), providing appropriate documentation. Once registered, students will receive an accommodation letter that can be presented to the instructor when requesting accommodations. Please register at the beginning of the course if seeking accommodations.

END-OF-TERM COURSE EVALUATIONS

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Students will be notified when the evaluation period opens, and can complete evaluations through the email they receive from GatorEvals, in their Canvas course menu under GatorEvals, or via ufl.bluera.com/ufl/.

U Matter, We Care:

If you or a friend is in distress, please contact umatter@ufl.edu or 352 392-1575 so that a team member can reach out to the student.

Counseling and Wellness Center: <http://www.counseling.ufl.edu/cwc>, and 392-1575; and the University Police Department: 392-1111 or 9-1-1 for emergencies.

Sexual Assault Recovery Services (SARS)

Student Health Care Center, 392-1161.

University Police Department at 392-1111 (or 9-1-1 for emergencies), or <http://www.police.ufl.edu/>.

COURSE OUTLINE (AND ASSIGNMENT SCHEDULE)

**L1 Jan. 14 Syllabus and Introduction to Managerial Decisions
 Chapter 1
 Supply and Demand
 *Chapter 2***

PROBLEM SET 1 due Monday, January 22 (8:00am)

**L2 Feb. 3 Supply and Demand
 *Chapter 2 (continued) and Chapter 3 (Section 3.4 only)***

**L3 Feb. 4 Production and Costs
 Chapter 4
 Competitive Markets
 *Chapter 5***

PROBLEM SET 2 due Tuesday, February 12 (8:00am)

**L4 Feb. 24 Monopoly Markets
 Chapter 6
 Advanced Pricing Decisions
 *Chapter 10***

**L5 Feb. 25 Cartels and Oligopoly
 Chapter 7
 Game Theory and Oligopoly
 *Chapter 8***

PROBLEM SET 3 due Monday, March 4 (8:00am)

**L6 March 23 Decisions about Vertical Integration and Distribution
 Chapter 11
 Decisions about Production, Products, and Location
 *Chapter 12***

**L7 March 24 Advertising and Promotion
 Chapter 13
 Uncertainty and Managerial Decisions about Information
 *Chapters 14 and 15***

PROBLEM SET 4 due Monday, April 1 (8:30am)

L8 April 20 FINAL EXAM (@ 8:30am)