

SYLLABUS, ECO 5702

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Required Texts

We are using a book that was written by a colleague, Roger Blair, and me entitled *The Economics of Managerial Decision Making*, 1e by Blair and Rush. I think it is a reasonable question to ask “Why did we write a book?” Plus, I think the answer truly reflects my goal for our class. So, here is the (hopefully) reasonable answer: When I first taught this course, years ago, I looked at a bunch of advanced managerial economics books. Some I liked a little; most I did not. But, frankly, I was unhappy with the books. Eight or nine years ago I voiced my unhappiness to Roger and he suggested we write a book that would be more in line with what I (and he) wanted. He told me it would be easy. (He lied. ☺) What *was* easy was signing with Pearson to publish the book. But the book itself...nah, not so easy! However, I still think it's better than any of the other books on the market. For what it's worth, I used drafts of the chapters for many classes and the students said nice things about them. Of course, it would be a foolish student who criticizes his or her instructor's work! Anyway, now our book is finished, which means that there is a glossary and the figures are in color—both things previous classes (futilely) asked me for. By the way, I will be *extremely* interested in your comments about the book, *both* positive and negative. To be brutally honest, the previous classes vastly improved the book with their comments, so I am hopeful that will get comments from you that I can add to the document I have created for second edition changes.

You do NOT need to acquire access to the MyEconLab website. In past semester I've used this site, but there were so many issues with it in the Spring 2020 (BEFORE Covid hit) for my on-campus class, I promised Pearson (the owner of the MyEconLab) that I'd never use their piece of \$\$^&!! again. So, in summary, 1) you need the book, and 2) DEFINITELY plan on buying AND reading the book. I believe UF's All Access is the cheapest way to acquire to book BUT I am more than willing to stand corrected if you can find a less expensive route.

Class Goal

My over-riding objective for this class is to show you how you can use economic concepts to make better decisions as managers. Everything else in the class is secondary at best. You will see this objective in the note shells I have created. You will see this objective in the class lectures. You will see this objective in the reading. You will see this objective in the assignments. You will see this objective in the manuscript chapters I have written. And you will see this objective on the test.

I think economics is useful for decision making. Unfortunately it does not tell you the precisely correct line of action. Often it gives guidance; for instance, when determining whether to take an action to make it more difficult for a competitor to enter the market, economics will tell you factors that can be important but it will not give you a recipe that you should follow. You will need to combine what you learn in this class with your own judgment.

As I said above, my over-riding goal is to make this class useful by concentrating on decision making. I am highly interested in whether or not I succeeded in attaining this goal. After the class is over and the grades submitted, if you want to email me your thoughts and suggestions, I can tell you they will be gratefully received. By the way, note that I said “After the class is over.” I do not want you to fear retribution for comments full of criticism comments and I do not want you to hope for a reward for comments full of praise.

Class Web Page

Plan on becoming acquainted with the class web page. In fact, plan on not only becoming acquainted, plan on it becoming almost your best friend! To get to the class web page, go to <http://lss.at.ufl.edu> and login to Canvas with your Gatorlink username and password.

Class Web Page Problems

Will everything work out correctly so that you get to the class web page with no problems? Perhaps. Perhaps also I shall exercise and lose 10 pounds (or even 5 pounds) this semester (which I am trying to do!!), as well as eat a plethora of leafy green vegetables (which I am not trying to do). Now, you can't do anything about my exercising or dining habits. But if you encounter an error in trying to access either the class web page or the lectures, here is a valuable link for you: http://notes.cba.ufl.edu/cbahelp.nsf/request_grad?OpenForm

And here is another helpful link that talks about the TAC:

<http://warrington.ufl.edu/itsp/techservices/students.asp>

What is the TAC? Well, it's aka “Technology Assistance Center.” I cannot help with any of the technical issues. But the computer technicians can help—and the feedback I get from the students is that they are a *lot* of help! So, if you have a problem, DO NOT email me. Every semester I have students email me about a problem. All they are doing is to 1) admit that they haven't bothered to read this syllabus, which surely does not endear them to me, and 2) delay resolution of their problem because I can do nothing. So, rather than email me, use the link I've given you to ask the people who know what to do for help. Indeed, I've bookmarked the link—I suggest you do likewise! In other words: SAVE THIS LINK. IT IS USEFUL!!

Material Covered in Class

We will study 9 chapters in the book, some in their entirety others just part of. Some chapters are longer than others; some chapters are more difficult than others; and, some chapters are more important than others. I don't know if it's a good sign or not, but the first chapter we study is a bit longer and a bit more important than the average. I have divided the chapters into 8 modules based on the material covered in the chapters. Look at the last page for the schedule. You'll notice that the last module seems shorter than normal. It is. Why? Because I am a nice guy? Well, maybe. But it is really because I want to give you time to study for the final exam.

Three Types of Assignments

Your grade will be based on three factors: Very Short Module Assignments, Short Chapter Assignments, and a Final Exam. The very short modules assignments are...very short! Each of these assignments will be graded 0 or 1 or 2. The only way to receive a 0 is to not submit the assignment; the only way to get a 1 is to not take it seriously. The short chapter assignments are exactly what the name says: Short assignments, that ought to take no more than an hour to complete and often much less. There are 8 assignments (yes, there are 9 chapters but I combined Chapter 1 into two assignments). Each assignment will be graded 0 (no assignment submitted), 1, 2, or 3. I expect that many of you will receive many 3's. The assignments are due by the dates given in the schedule.

The final exam will be available online on **February 19 and 20**. It will use Honorlock and will consist of short to longish answer questions. For the final exam you may use the front and back of a 6 inch by 4 inch notecard with whatever notes on it you want. You may also use any type of calculator. And you can have 2 sheets of scratch paper, with nothing written on them. There are sample final exams on the class web page. Your final exam will be different than the sample exams (though I will reuse one question from a sample final exam on the actual final exam) but if you use the sample exams carefully, I do not think you will be surprised by anything on the actual exam. The final exam will be worth 60 points. There is a grand total of 100 points in the entire class.

So, in summary here are the possible points:

Very short module assignments:	16 points (2 of these are my gift to you 😊)
Short chapter assignments	24 points
Final exam	<u>60 points</u>
Total	100 points

Grades

I wish I was completely unconstrained in my grading scale but the Warrington Business College applies a crucial and important limitation: The average grade in the class can be no higher than a 3.50, which means the average grade must be between an A- and a B+. So, keeping that in mind, I plan to assign the top 25% of the class A's, the second 25% A-'s, the third 25 B+'s, and the bottom 25% B's. Of course, if someone does significantly poorer than the remainder of the class, I *will* give lower grades, such as a C. Of course, in that case, I can boost other students' grades. So, let me ask: Does anyone want to volunteer to get a low grade so that some other well deserving students can have their grades boosted?

Assignments

By now you are probably wondering what precisely are the "short chapter assignments." You might even be wondering what are the "very short module assignments!" I will give you some details about each below.

Very Short Module Assignments

For each module EXCEPT Module 8, I want you to write briefly—look up the definition of the word “brief” to be certain you fully understand this assignment—what topic you thought was best explained and what topic you thought was the most difficult to grasp. In other words, what was clear and what was muddy. I want to see if there is a point or points that are confusing a lot of students. In that case, I will post comments on the class web page that—hopefully!—will explain the point and eliminate confusion. By the way, it would be very nice if you gave me a page reference for both the topic you think was well explained and especially the topic that was confusing. These assignments are due by the date given in the class schedule, though if you are done early, submit them early! And, as far as Module 8 goes: This is a less rigorous topic and it’s right at the end of the course, when your time is better spent finishing the last short chapter assignment and preparing for the final exam. So, everyone gets 2 “free” points for this non-assignment.

Short Chapter Assignments

The short chapter assignments are questions from the end of the chapters in the book. The information below shows you the different modules, what you should read for each module (PLEASE notice that sometimes you should skip sections), and what questions to answer. For example, the first module’s Short Assignment has you answering 3 questions from Chapter 2. So, answer the question labeled 2.1, the question labeled 5.1, and the question labeled 7.5. This means you do NOT do all the question in section 2.1, etc. I am not nearly that cruel...Well, yeah I am that cruel but I am lazy and do not want to grade all the questions in section 2.1...

I expect many of you will work together on the Short Assignments. This is fine with me. But what you submit must be your work and your work alone. If I get assignments that are too close to each other, both will receive a zero. I don’t care if the assignments were exclusively one person’s work. That person, as well as the other, will both receive zeros.

Also, *all* the Short Assignments and Very Short Assignments are due by midnight on the due date. **DO NOT MISS THE DEADLINE.** If you miss the deadline you will not be able to submit the assignment. I will **NOT** extend the deadline for any reason and so you will receive a zero. You have at least 5 days for each assignment and generally you should be able to read the chapter and work the assignment within a few hours. This means that you should submit your work early—ideally on the first day or even earlier. That way when something does wrong on the last day—you become ill, you lose power, your computer breaks, etc--you will not be worried about losing points for our class. Plus, suppose you submit your assignments way before it is due and you come to realize you want to change something. That is easy to do. Make the change and submit your revised answer. It will take the place of the initial answer and I will see only your most recent attempt.

Module 1 Due Jan 13

Chapter 2 (skip Section 2.6)

Demand & Supply: Chapter 2, Problems 2.1, 5.1, 7.5 parts A and C (For question 7.5, PLEASE note that casual dining chains, such as Brinkers, do *not* own and do *not* raise pigs. I fully realize that coming from out of the blue, this comment seems odd and perhaps even a little bizarre...but once you read the question, it makes sense!)

Module 2 Due Jan 18

Chapter 3 (Page 105 to 119 and 122)

Elasticity: Problems 4.1, 4.7. When answering 4.7, to make it easier assume that your competitors do not change their prices.

Module 3 Due Jan 23

Chapter 1 (Page 6 to 17)

Chapter 4

Cost: Chapter 1, Problem 3.3; Chapter 4, Problem 2.3

Module 4 Due Jan 28

Chapter 1 (Page 18 to 21)

Chapter 5

Competitive firms (and markets): Chapter 5, Problems 2.5, 3.5 (Be careful—think about the long run) and answer this question not in the book:

- “When the price of a firm’s product falls, the profit on each unit also falls. Accordingly, profit-maximizing managers increase their production in order to increase their total profit.” Is this assertion correct? Explain your answer.

Module 5 Due Feb 2

Chapter 6

Monopoly & monopolistic competition: Chapter 6, Problems: 2.13, 5.1.

There is a typo in part c of 2.13. Part c should read "Use your knowledge of the factor that affect the magnitude of the price elasticity of demand to intuitively explain your answers to parts a and b."

Module 6 Due Feb 7

Chapter 10

Pricing decisions: 1.11 (note this is question one dot eleven, not question one dot one. For some reason a lot of students make this error) and 4.1

Module 7 Due Feb 12

Chapter 7 (Sections 7.1 and 7.2; skip the rest!!!)

Chapter 8 (Section 8.1 and pages 354 to 357)

Oligopoly and Game theory: Chapter 7, Problem 2.3. Chapter 8, Problem 1.9

Module 8 Due Feb 16

Chapter 9

Antitrust: Chapter 9, Problem 5.1

Required Statements and Links from the University of Florida

To enhance your life in general and your education in specific, UF has a bunch of required statements and links. Because I want you to live an enhanced life, here they are:

A Link I Believe In!

As I said above, here is a link that I believe in—it's to UF's student honor code and student conduct code:

<https://sccr.dso.ufl.edu/policies/student-honor-code-student-conduct-code/>

And, just for completeness, here is the honor pledge:

The Honor Pledge

We, the members of the University of Florida community, pledge to hold ourselves and our peers to the highest standards of honesty and integrity.

On all work submitted for credit by students at the university, the following pledge is either required or implied: On my honor, I have neither given nor received unauthorized aid in doing this assignment.

A Required Statement from UF and Another Link I Believe In!

Students with disabilities who experience learning barriers and would like to request academic accommodations should connect with the Disability Resource Center. It is important for students to share their accommodation letter with their instructor and discuss their access needs, as early as possible in the semester. So, if you need to contact the DRC, use the link ASAP!

<https://disability.ufl.edu/get-started/>

Two More Required Links from the University of Florida

Just when I thought UF could require no more, I quickly discover that I am wrong! Yes, UF *can* and *does* require still more. This time, however, for the sake of variety, it is a link to UF's grading policies:

<http://www.registrar.ufl.edu/catalog/policies/regulationgrades.html>

And here is a statement that I find remarkably ... absurd: "Requirements for class attendance and make-up exams, assignments, and other work in this course are consistent with university policies." Plus, there is even a link:

<https://catalog.ufl.edu/UGRD/academic-regulations/attendance-policies/>

It's Impossible to Have Too Many Links

Students are expected to provide professional and respectful feedback on the quality of instruction in this course by completing course evaluations online via GatorEvals. Guidance on how to give feedback in a professional and respectful manner is available at <https://gatorevals.aa.ufl.edu/students/>. 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 <https://ufl.bluera.com/ufl/>. Summaries of course evaluation results are available to students at <https://gatorevals.aa.ufl.edu/public-results/>.

More Required Links?

I don't know for sure what other required links might be. So let's pretend that they are below. And let's also pretend that you spent the time clicking on them

Course Schedule

ECP5702

Modules	Readings/Chapters
Module 1 <i>Demand and supply</i> Due: Jan 13	Chapter 2
Module 2 <i>Elasticity</i> Due: Jan 18	Chapter 3 (Page 105 to 119 and 122)
Module 3 <i>Costs</i> Due: Jan 24	Chapter 1 (Page 6 to 17) Chapter 4
Module 4 <i>Perfectly competitive firms</i> Due: Jan 28	Chapter 1 (Page 18 to 22) Chapter 5

<p>Module 5</p> <p><i>Monopoly firms</i></p> <p>Due: Feb 2</p>	<p>Chapter 6</p>
<p>Module 6</p> <p><i>Advanced pricing</i></p> <p>Due: Feb 7</p>	<p>Chapter 10</p>
<p>Module 7</p> <p><i>Oligopoly and Game Theory</i></p> <p>Due: Feb 12</p>	<p>Chapter 7 (Sections 7.1 and 7.2; skip the rest!!!)</p> <p>Chapter 8 (Section 8.1 and pages 354 to 357)</p>
<p>Module 8</p> <p><i>Antitrust laws</i></p> <p>Due: Feb 16</p>	<p>Chapter 9</p>

Remember: There is a “Very Short Module Assignment” for each Module *EXCEPT* Module 8 and a “Short Chapter Assignment” for each Module due by the date in the schedule above.