ECON 499 Special Topics:
Economic Consulting and Applied Managerial Economics
Fall 2014

Jeffery Dubin

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Office Hours: One hour before lecture and by appointment

Course Description:

This is an undergraduate level special topics course that introduces economic consulting and managerial economic methods applied in real world problems. We use economic methods to analyze issues of intellectual property, environmental damage, trademark infringement, brand value, and consumer demand. Economic principals such as elasticity, demand curves and monopolies will be discussed using an applied econometric approach. During the second half of the course marketing models such as logit and the Bass Model will be analyzed and discussed in comparison to economic models. The analysis will focus on econometric thinking and problem solving using case studies as the basis for the lectures and homework. Lectures will focus both on the quantitative approach used by economic consultants as well as the intuitive thought process and rational that drives that quantitative analysis. The problems and cases analyzed are typical of those found in the economic consulting environment. Prior background in econometrics is not required although helpful. A goal of the course is to provide insight into problem formulation, data gathering, and the implications of statistical models for real world decision-making. Students are exposed to the methods of marketing based on data analysis.

Professor Jeffery Dubin teaches this course. Dr. Dubin earned his undergraduate degree in Economics with highest honors and great distinction from the University of California, Berkeley, and received a Ph.D. in Economics from the Massachusetts Institute of Technology. Jeffrey A. Dubin, Ph.D. is an Adjunct Professor of Economics and Statistics in Global Economy and Management at the UCLA Anderson School of Management (LOA). Dr. Dubin retired from the California Institute of Technology in 2007 where he was a tenured Professor of Economics. Dr. Dubin joined Caltech in 1982.

Dr. Dubin's research focuses on microeconomic modeling with particular emphasis in applied econometrics. His current research concerns discrete choice econometrics, energy economics, and tax compliance. Dr. Dubin is also co-founding member and Director of Statistical and Economic Analysis at Pacific Economics Group in Pasadena. He is also Senior Advisor with Navigant Consulting Inc. Dr. Dubin frequently provides expert testimony.

Main Text:
ISBN: 0-7923-825-3 (“SCD”)
**Recommended Texts:**
Academic journal articles, legal cases, expert testimony, and excerpts from additional books will be assigned throughout the course for critical analysis and discussion and will be available on the class website.

**Assessment:**
Homework problems based on the current cases being discussed will be assigned on a roughly weekly basis. A course project (TBD), to be worked on collaboratively by the class as whole (or in assigned groups will be assigned. The course project involves original research and data collection with data analysis and a class presentation. The course grade is determined by homework (25%), class project (25%), midterm examination (20%), final examination (25%) and participation (5%).

**Academic Integrity Policy:**
The Department of Economics is committed to upholding the University’s Academic Integrity code as detailed in the SCampus Guide. It is the policy of the department to report all violations of the code. Any serious violation or pattern of violations of the Academic Integrity Code will result in the student’s expulsion from the major or minor, or from the graduate program.

**Academic Accommodations**
Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me as early as possible in the semester. DSP is located in STU 301, and is open 8.30am-5.00pm, Monday through Friday. The phone number for DSP is (213)-740-0776.

**Topics to be Covered (subject to minor adjustment):**


**Readings:**

Dubin (SCD, Chapter 1). The Demand for Addressed Admail and Complementary Products in Canada
Dubin. Detecting and Measuring Shifts in the Demand for Direct Mail
Malinvaud. Lectures on Microeconomic Theory: Consumer Demand (optional)
Handout. Project Green - To Postal workers, No Mail is 'junk'
Wallis. Seasonal Variation in Regression Analysis (optional)
Fisher. Multiple Regression in Legal Proceedings

**Week 3: Measurement of Economic Demand: Econometrics, Surveys, Market Experiments**

**Readings:**

*Ritz-Carlton v. Bulgari: The Demand for Villa Nights in Bali*

Bali Expert Report of Jeffery Alan Dubin
Bali Expert Report of Henry F. Owsley
Bali Supplemental Expert Report of Jeffrey Alan Dubin, Ph.D. (optional)
Week 4-5: Identification and Demand-Supply Systems

Readings:
- Dubin (SCD, Chapter 2). The World Demand for Fractional Horsepower Direct-Current Motors
- Dubin (SCD, Chapter 3). Estimation and Identification of the Worldwide Demand for Acetic Acid
- Marsden. Pricing to Market In Japanese Manufacturing
- Handout. Exchange Rate Pass-Through into Import Prices: A Macro or Micro Phenomenon? (optional)
- Dubin. High Fructose Corn Syrup and Glucose Corn Syrup

Week 6-7: Brand Valuation, Patent Valuation, and Intellectual Property

Readings:
- Dubin (SCD, Chapter 4). The Demand for Branded and Unbranded Products—An Econometric Method for Valuing Intangible Assets
- Handout. At The Supermarket Checkout, Frugality Trumps Brand Loyalty
- Handout. The Growing Cachet of the Store Brand

Week 8: Review and Midterm

Week 9-10: Forecasting New Product Demand: Logit and Bass Models

Readings:
- Dubin (SCD, Chapter 7). The Demand for Cameras by Consumers-A Model of Purchase Type Choice, and Brand Choice
- Handout. Great Expectations
- Bass. A New Product Growth For Model Consumer Durables
- Dubin et. al. Los Angeles Electric Vehicle Market Study, Luskin Center UCLA

Week 11: Environmental Demand, Resource Valuation and Damage Estimation

Readings:
- Dubin (SCD, Chapter 5). The Demand for Recreational Fishing in Montana

Week 12-13: Measuring Economic Damages in Personal Injury

Readings:
- Dubin. Garcia v. M-F Athletic Company
Week 14: Applications of Statistical Sampling in Consulting and Management

Readings:
- Cochran. Sampling Techniques Chapters 1-2.
- Dubin Expert Report. San Francisco Tobacco Litter Taxation

Week 15. Student Presentations