

**Professor: James Cunningham**  
**Office: 215 Hoffman Hall**  
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*In Fall 2020, all of my Microeconomics courses and office hours will be held via Zoom. You can locate your section's Zoom Meeting ID in Blackboard, under the "Zoom Links" tab. In addition, all class sessions will be recorded. You can find past recordings under the "Class Recordings" tab in Blackboard.*

*It is important to check Blackboard consistently throughout the semester for new announcements and regular updates. I will upload the chapter (lecture) slides to Blackboard as we advance through the coursework.*

### **Course Description:**

Microeconomics is a branch of economics that focuses on the behavior of individual entities and the effects of the decisions they make. This course will focus on graphical and algebraic analysis of the allocation of scarce resources, applying the supply-demand model to goods markets and factor markets, neoclassical market theory in dynamic analysis, aspects of risk analysis and expected utility theory, game theory, monopoly, monopsony and oligopsony, comparative advantage, production possibility frontiers and gains from exchange, government interference such as quotas, subsidies and their effects on welfare, consumer/producer surplus and deadweight loss. We will cover the economics of information, externalities and behavioral economics.

### **Required Materials:**

- Textbook: Microeconomics for Business (Custom edition for USC, Pearson) by Robert S. Pindyck and Daniel L. Rubinfeld (PR), and R. Glenn Hubbard and Anthony Patrick O'Brien (HO), and Robert Frank, Microeconomics and Behavior (MB).
- Scientific calculator (i.e., Texas Instruments TI-30XS (or TI-84), Casio FX115ESPLUS)

### **Prerequisites:**

- Fundamental Principles of the Calculus (MATH 118)

### **Office Hours:**

I will be available for office hours Mondays and Wednesdays, from 10 AM – 12 PM (PST). You may schedule a 20-minute session with me in advance through Calendly. Please note that hours may be extended and that I may add drop-in office hours the day before a quiz or exam as I deem fit.

My Calendly link is <https://calendly.com/jpcunningham>.

Office hours will be conducted via Zoom for the duration of this semester. My Zoom information for office hours is as follows –

Meeting ID: 975 0593 7936  
Password: 319337

You must schedule office hours in advance if you'd like to review material or go over past quizzes and exams. **If you would like to review a specific quiz or exam, please state which one(s) on the details page of the appointment confirmation.**

**Grading Policy:**

Assignments	Points	% of Grade	Points Earned
Quiz 1	10	5%	
Exam 1	40	20%	
Quiz 2	10	5%	
Quiz 3	10	5%	
Exam 2	40	20%	
Quiz 4	10	5%	
Quiz 5	10	5%	
Final	40	35%	
		100%	

In order to ensure an academic environment that rewards studying and preparation, we will be using Proctorio to conduct all quizzes and exams. Proctorio is a proctoring platform that uses state-of-the-art technology and end-to-end data security to ensure the integrity of every assessment. More details of how to download and use Proctorio will be shared prior to the first quiz.

Please note there *may* also be additional points based on attendance. Attendance will be taken *randomly*. These additional points will constitute an additional percentage to your final raw score in the class. Extra credit points will be *strictly* awarded to students who are present in class *only that day*. Please note that regardless if you have an excused, or unexcused, absence that I cannot permit for you to receive an extra credit point if you are not present in class that day.

**Missed Quiz and Exam Policy:**

Quizzes and exams must be taken on the day they are scheduled at your registered class time. If you are unable to attend the day of a quiz or exam, you must let me know *at least 24 hours in advance*. If you are ill, then you must provide me with a doctor's note prior to the scheduled class time.

Other than those specific instances, there will be **no** exceptions for unexcused absences, and **you will receive a 0 for that quiz or exam. If you make an appointment for a makeup quiz or exam, and you fail to attend or take it, you will receive a 0 for that quiz or exam. No exceptions.**

**Students with Disabilities:**

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant 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.

DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Wednesday through Friday. The phone number for DSP is (213) 740-0776. Their address is 3601 Watt Way, Grace Ford Salvatori Hall, 120. DSP can also be reached at [DSPTestingServices@usc.edu](mailto:DSPTestingServices@usc.edu).

**Please be sure that your DSP letter is emailed to me within two weeks of the class start date. This is a strict deadline.**

### **COVID-19 Instruction:**

#### **Technology**

Given the unprecedented nature and turn of events this year, I understand you may have technological and/or network connectivity issues. I expect for you to have these issues sorted out prior to attending class and taking a quiz or exam. Once you begin a quiz or exam on Blackboard, I am unable to re-open it for you.

If you have trouble engaging in remote learning, please look into <https://www.marshall.usc.edu/coronavirus/usc-marshall-student-emergency-aid-fund> and/or email [basicneeds@usc.edu](mailto:basicneeds@usc.edu). These are resources provided to you from Marshall and should allow you to be adequately prepared for your classes.

Students are expected to attend and to have their camera on during all sessions. Please advise me if you have circumstances under which you will not be able to meet these expectations.

#### **International Students**

If you are an international student, you must notify me within the first two weeks of class. This way, we can find a convenient time to schedule your exams and schedule separate office hours that are convenient for you in your time zone.

**Please notify me of your international status within two weeks of the class start date. This is a strict deadline.**

**Econ 351 Microeconomics for Business/ECON 351 Cunningham**  
**Class Syllabus – Subject to Changes per the Professor’s Discretion**

<b>Date</b>	<b>Topics Covered</b>	<b>Reading Assignments*</b>
<b>Week 1</b> Tuesday 8/18/20	Economics: Foundations and Models, Appendix: Using Graphs and Formulas, Trade-offs, Comparative Advantage and the Market System	HO 1, HO 2
Thursday 8/20/20	The Basics of Supply and Demand, Consumer Behavior	PR 2, PR 3
<b>Week 2</b> Tuesday 8/25/20	Individual and Market Demand	PR 4
Thursday 8/27/20	Individual and Market Demand (continued)	
<b>Week 3</b> Tuesday 9/1/20	<b>Quiz 1**</b>	
Thursday 9/3/20	Individual and Market Demand	PR 5
<b>Week 4</b> Tuesday 9/8/20	Uncertainty and Consumer Behavior	
Thursday 9/10/20	Uncertainty and Consumer Behavior (continued)	
<b>Week 5</b> Tuesday 9/15/20	<b>Exam 1</b>	PR 6
Thursday 9/17/20	Production	
<b>Week 6</b> Tuesday 9/22/20	The Cost of Production	PR 7
Thursday 9/24/20	The Cost of Production (continued)	PR 8
<b>Week 7</b> Tuesday 9/29/20	<b>Quiz 2**</b>	
Thursday 10/1/20	Profit Maximization and Competitive Supply	
<b>Week 8</b> Tuesday 10/6/20	The Analysis of Competitive Markets	PR 9
Thursday 10/8/20	The Analysis of Competitive Markets (continued)	PR 10
<b>Week 9</b> Tuesday 10/13/20	<b>Quiz 3**</b> ; Market Power: Monopoly and Monopsony Pricing with Market Power	

Thursday 10/15/20	Pricing with Market Power	PR 11
<b>Week 10</b> Tuesday 10/20/20	<b>Exam 2</b>	
Thursday 10/22/20	Monopolistic Competition and Oligopoly	PR 12
<b>Week 11</b> Tuesday 10/27/20	Game Theory and Competitive Strategy	PR 13
Thursday 10/29/20	Cuban Missile Crisis	PR 14
<b>Week 12</b> Tuesday 11/3/20	<b>Quiz 4**</b>	
Thursday 11/5/20	Markets for Factor Inputs	PR 17
<b>Week 13</b> Tuesday 11/10/20	<b>Quiz 5**</b> ; Markets with Asymmetric Information	PR 18
Thursday 11/12/20	Behavioral Economics	MB PowerPoints
<b>Week 14</b> 11/14 – 11/16	Study Days	
<b>Thursday</b> <b>11/19/20</b>	<b>Final Exam</b> (Section 26310)– <b>Final 12 – 2 PM</b> (Section 26375) – <b>Final 4 – 6 PM</b> (Section 26379) – <b>Final 6 – 8 PM</b>	

Finals Schedule: [http://www.usc.edu/academics/classes/term\\_20203/finals.html](http://www.usc.edu/academics/classes/term_20203/finals.html)

\*All readings are due before class

\*\*Please note that quiz dates may change, depending on how much information is covered prior to the quiz date.

## **Learning Objectives:**

1. Apply graphical and algebraic analytical techniques to the analysis of resource allocation through an understanding of economic theories and models.
2. Apply the basic demand-supply market model to goods markets and factor markets by identifying and analyzing the values of equilibrium prices and quantities as determined by market forces.
3. Differentiate and apply different aspects of neoclassical economic theory by examining the dynamics of consumer, firm, and market forces and calculating their impacts.
4. Apply the model of behavior in risky circumstances by calculating expected utility, expected income, and certainty equivalents.
5. Explain the role of game theory in economic models by representing various game-theoretic interactions.
6. Explore market power by examining the impact of monopoly, monopsony, and oligopoly on resource allocation.
7. Apply concepts of comparative advantage through calculation of gains from exchange, given two countries' (or individuals') production possibilities frontiers.
8. Analyze the impact of various forms of government interference in markets by calculating the changes in consumer and producer surplus, and deadweight loss.
9. Analyze the impact of asymmetric information on market efficiency by explaining examples of adverse selection, moral hazard, and the principal-agent problem.
10. Understand public goods, and positive and negative externalities and how they relate to potential market failure.

## **Marshall School of Business Program Learning Objectives:**

1. Our graduates will have an understanding of the key business areas and their interplay *to effectively manage different types of modern enterprise.*
2. Our graduates will have a global mindset *demonstrating an understanding of the interplay of local, regional, and international markets, and economic, social and cultural issues.*
3. Our graduates will demonstrate critical thinking skills, decision-making, and problem-solving abilities to *strategically navigate complex demands of business environments.*
4. Our graduates will demonstrate leadership skills, *aspiring to be informed, sensible, future-oriented leaders and innovators.*
5. Our graduates will demonstrate ethical reasoning skills, understand social, civic and professional responsibilities and aspire to add value to society.
6. Our graduates will be effective communicators in speaking and writing *to facilitate information flow in organizational, social, and intercultural contexts.*

## **Marshall Guidelines for Classes:**

### **Add/Drop Process**

In compliance with USC and Marshall's policies classes are open enrollment (R-clearance) through the first week of class. All classes are closed (switched to D-clearance) at the end of the first week. This policy minimizes the complexity of the registration process for students by standardizing across classes. You may be dropped from class if you do not attend the first two sessions to make room for students who are trying to get into the class and showing up to class.

The last day to add the class or withdraw without receiving a “W” (and receive a refund) is **9/4/2020**. The last day to drop without receiving a “W” (no refund) is **10/2/2020**. The last day to drop with a mark of a “W” (no refund) is **11/6/2020**.

Please note that if you decide to drop a course, or if you elect to not attend the first two sessions and are dropped, you may not be able to add another section this semester. You may only add a class after the first week of classes if you receive approval from the instructor.

## **Marshall Grading Guidelines**

Assignment/Exam Grading Policy: the instructor determines what qualifies as an accurate grade on an assignment, exam, or other deliverable, and the instructor’s evaluation of the performance of each individual student is the final basis for assigning grades for the course.

Final exams and all other graded work which affected the course grade will be retained for one year after the end of the course if the graded work has not been returned to you, i.e., if I returned a graded paper to you, it is your responsibility to file it, not mine.

## **Statement for Students with Disabilities**

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 within the first two weeks of class.* DSP is located in STU 301 and is open 8:30 a.m. – 5:00 p.m. DSP personnel can be reached by phone or email, (213) 740-0776 and [DSPTestingServices@usc.edu](mailto:DSPTestingServices@usc.edu), respectively

## **Support Systems**

Counseling and Mental Health - (213) 740-9355– 24/7 on call

<https://studenthealth.usc.edu/counseling/>

Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention.

National Suicide Prevention Lifeline - 1 (800) 273-8255 – 24/7 on call

[suicidepreventionlifeline.org](http://suicidepreventionlifeline.org)

Free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week.

Relationship and Sexual Violence Prevention Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call

<https://studenthealth.usc.edu/sexual-assault/>

Free and confidential therapy services, workshops, and training for situations related to gender-based harm.

Office of Equity and Diversity (OED)- (213) 740-5086 | Title IX – (213) 821-8298

[equity.usc.edu](http://equity.usc.edu), [titleix.usc.edu](http://titleix.usc.edu)

Information about how to get help or help someone affected by harassment or discrimination, rights of protected classes, reporting options, and additional resources for students, faculty, staff, visitors, and applicants.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298

[https://usc-advocate.symplicity.com/care\\_report/](https://usc-advocate.symplicity.com/care_report/)

Avenue to report incidents of bias, hate crimes, and microaggressions to the Office of Equity and Diversity |Title IX for appropriate investigation, supportive measures, and response.

The Office of Disability Services and Programs - (213) 740-0776

[dsp.usc.edu](http://dsp.usc.edu)

Support and accommodations for students with disabilities. Services include assistance in providing readers/notetakers/interpreters, special accommodations for test taking needs, assistance with architectural barriers, assistive technology, and support for individual needs. USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs ([www.usc.edu/disability](http://www.usc.edu/disability)). DSP provides certification for students with disabilities and helps arrange the relevant 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 (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: [ability@usc.edu](mailto:ability@usc.edu).

USC Campus Support and Intervention - (213) 821-4710

<https://uscsa.usc.edu/>

Assists students and families in resolving complex personal, financial, and academic issues adversely affecting their success as a student.

Diversity at USC - (213) 740-2101

[diversity.usc.edu](http://diversity.usc.edu)

Information on events, programs and training, the Provost's Diversity and Inclusion Council, Diversity Liaisons for each academic school, chronology, participation, and various resources for students.

USC Emergency - UPC: (213) 740-4321, HSC: (323) 442-1000 – 24/7 on call

[dps.usc.edu](http://dps.usc.edu), [emergency.usc.edu](http://emergency.usc.edu)

Emergency assistance and avenue to report a crime. Latest updates regarding safety, including ways in which instruction will be continued if an officially declared emergency makes travel to campus infeasible.

USC Department of Public Safety - UPC: (213) 740-6000, HSC: (323) 442-120 – 24/7 on call

[dps.usc.edu](http://dps.usc.edu) Non-emergency assistance or information.

## **Academic Dishonesty**

Students are expected to make themselves aware of and abide by the University community's standards of behavior as articulated in the Student Conduct Code. Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" <https://policy.usc.edu/scampus-part-b/>. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, <http://policy.usc.edu/scientific-misconduct>