

USC Marshall

School of Business

ECON 351: Microeconomics for Business

Syllabus - Spring 2022

Section Number	Lecture Time and Location	
26349R	Thursday, 10:00 - 11:50 am	JFF LL125
26347R	Thursday, 12:00 - 1:50 pm	JFF LL125

Professor:	Raḩsan Akbulut	
Office:	HOH 223	
Office hours:	Tuesdays, 3-4pm Thursdays, 2-3pm	via Zoom: https://uscmarshall.zoom.us/j/94164301572 in-person: HOH 223
Office Phone:	213-740-1630	
E-mail:	rahsan@marshall.usc.edu	
Course Administrator:	Marc Choueiti E-mail: econ351@marshall.usc.edu Phone: 213-821-0915	
Instructional Assistants:	Michelle Gong: mlgong@usc.edu Ni (Connie) Kang: nikang@usc.edu	

Course Description

The main goal of this course is to show how microeconomic models can be used to guide business decisions. This is a course designed for business majors, with key departures from standard introductory microeconomics courses. We will study the behavior of consumers and firms, and their implications for demand, supply and market equilibrium. We will analyze competitive markets, market failures, and the role of government. To reflect rising concentration in markets, we will spend some time on the implications of market power on firm pricing decisions and profits. The course also introduces basic principles of game theory and competitive strategy.

This course is designed to prepare students for future business courses, including finance, marketing, and strategy. The models, methods, and case studies have been selected with a focus on business relevant applications. For example, the economics of consumer choice underlies much of modern marketing strategy, including pricing, segmentation and advertising. The theory of the firm contributes to a sound understanding of cost accounting as well as production decisions. Economic analysis of intertemporal decisions and behavior in a risky environment form the foundation of finance. Finally, the study of market failure and industrial structure is necessary for an understanding of government's role in a market economy and the political environment for business.

More generally, this course provides a rigorous foundation for the study of decision making problems within firms. Student who successfully complete this course should be able to apply microeconomic analysis to issues of real-world interest within a firm.

Course Learning Objectives

Upon completion of this course you will be able to:

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 in-come, and certainty equivalents.
5. Explain the role of game theory in economic models through game-theoretic representations.
6. Explore market power by examining the impact of monopoly and oligopoly on resource allocation.
7. Analyze the impact of various forms of government intervention in markets by calculating the changes in consumer and producer surplus, and deadweight loss.
8. Analyze the impact of asymmetric information on market efficiency through the examples of ad-verse selection, moral hazard, and financial markets.

Refer to the table at the end of the syllabus for a detailed description of how the above objectives align with The Marshall School of Business program goals.

Required Course Material:

We will use the book “Microeconomics for Business,” by Odilon Câmara and Anthony Marino. You can download the pdf from Blackboard (<http://blackboard.usc.edu>). There is no printed version of this book, only the electronic version. This is the most important reading material for this class. Throughout this syllabus, whenever we refer to a chapter number, we are referring to the chapter number of these lecture notes.

As the semester progresses, I will continue to upload to Blackboard additional required material (practice questions, etc.).

Prerequisites:

A solid working knowledge of algebra, geometry, and calculus is essential to your success in ECON 351x. Therefore, MATH 118, MATH 125, or equivalent is a required prerequisite for the course.

Course Delivery and Expectations:

This course is being delivered in a “flipped” format. This means that we will meet as a class once per week, and you will need to complete a substantial amount of asynchronous class work prior to our in-person meeting. All pre-class activities and assignments will be due at 11:59pm PT the evening before our class meeting.

The asynchronous material will introduce the main concepts, models, and methods. The class meetings will focus on developing those concepts further through real-world examples, discussions, and problem-solving exercises. It is critical that you complete all pre-class assignments and attend office hours with clarification questions before attending class. I will not repeat asynchronous content in class and I will expect that you have a reasonable grasp of the material.

<u>Grading Policies:</u>	Preparation and Participation	5 %
	Assignments	20 %
	Midterm 1	25 %
	Midterm 2	25 %
	Final	25 %

Preparation and Participation: Preparation and engagement are essential to achieving the learning objectives for this course. Thus, 5% of your final grade will reflect your preparation, participation, and contribution to the classroom learning environment. Students should prepare for class by watching the content videos, and completing the knowledge checks embedded in the videos.

Students, who are able, are expected to attend all class meetings in person. If students are ill, experiencing symptoms of Covid-19, or otherwise unable to attend class for a verifiable reason beyond their control, they need to notify me prior to the missed class session, so we can make arrangements to make up for participation.

Students are expected to contribute positively to the class learning environment by participating effectively in class discussions and activities, being prepared to answer questions in class when called upon, and engaging professionally with peers, instructional assistants, course administrator, and faculty.

Assignments: Students are expected to watch the videos and complete the assignments before the synchronous class. The goal of each assignment is to check your understanding of the asynchronous material due each week. With this goal in mind, the weekly assignments will be due on Wednesdays at 11:59pm. It is your responsibility to watch the videos and work on the assignments early, to meet this deadline. We do not have assignments on the first week of classes, and on the weeks of Midterms 1 and 2.

We will have 12 graded assignments. Each will be completed via Blackboard and will be worth 1 point (up to the limit of 10 assignment points in the semester). A student receives 1 point if the assignment is submitted on time (before the due date) and the student correctly answered at least half of the questions. An assignment that is submitted late or does not correctly answer at least half of the questions receives zero points.

Note that a student may receive at most 10 points in the semester, even if they correctly submit all 12 assignments. This means that 2 assignments are dropped. The goal of this policy is to allow students some flexibility. Sometimes, for different reasons, a student is not able to submit a correctly answered assignment on time. In this case, the student can still earn the maximum of 10 homework points in the semester by correctly submitting the other assignments on time.

Exams: The three exams (the two midterms and the final) are not cumulative. Each exam will test the subject matter covered after the previous exam. For all the exams, you are responsible for the material assigned from the book, the asynchronous material delivered by the videos, the material posted on Blackboard, and any subject covered during the synchronous sessions. The exams are intended to assess how well students understand the basic ideas and principles.

There will be no make-up exams. By enrolling in the course, you are committing to take the exams on the scheduled dates. If an exam is missed for an approved reason, the weight of the other two exams will be increased proportionately to compensate for the missed exam.

All exams will be closed book and notes.

Grade Appeals: If you are not satisfied with your grade on an exam, you can appeal to me in writing, within one week after the exam is handed out.

Class Etiquette:

Professionalism will be expected at all times. The university classroom is a place designed for the free exchange of ideas. We must show respect for one another in all circumstances by exhibiting patience, courtesy, and professionalism in our exchanges. Additionally:

- Please turn your cell phones off before we start our class.
- Please arrive on time. If you are going to be late on a particular day, for a valid reason, please let me know in advance.
- If you have to leave early on a particular day, for a valid reason, please let me know in advance; also, try to find a seat near an aisle to minimize disruption to others.

Technology Policy

I do not mind if students use their laptops in the classroom because I know some prefer to take notes this way. However, if a student is not using their laptop for educational purposes, and in particular they are distracting other students, I will ask them to close their laptop for the remainder of the class.

Use of Recordings:

Pursuant to the USC Student Handbook (www.usc.edu/scampus, Part B, 11.12), students may not record a university class without the express permission of the instructor and announcement to the class. In addition, students may not distribute or use notes or recordings based on University classes or lectures without the express permission of the instructor for purposes other than personal or class-related group study by individuals registered for the class. This restriction on unauthorized use applies to all information that is distributed or displayed for use in relationship to the class.

Marshall tutoring Program:

The Marshall Office of Undergraduate Advising offers Peer Tutoring as a supplement to classroom instruction. Marshall Peer Tutors are able to assist students in understanding and clarifying difficult concepts, but tutoring sessions are effective only if students regularly attend class and actively engage in the process of thinking critically about the course content. Students can choose to participate in group tutoring sessions or drop-in tutoring sessions.

For details on tutoring for ECON 351 and the schedule, see <https://www.marshall.usc.edu/current-students/marshall-academic-resources> or contact the Marshall Office of Undergraduate Advising in JFF-201, by phone 213-740-0690, or email undergrad.advising@marshall.usc.edu.

Emergency Preparedness/Course Continuity:

In case of a declared emergency if travel to campus is not feasible, the *USC Emergency Information* web site (<http://emergency.usc.edu/>) will provide safety and other information, including electronic means by which instructors will conduct class using a combination of USC's Blackboard learning management system (blackboard.usc.edu), teleconferencing, and other technologies.

If for some reason we are not able to hold an in-person class on campus, we will try to hold a remote lecture via Zoom. In this case, I will post an announcement and the link information on Blackboard.

USC Statement on Academic Conduct and Support Systems:

Academic Conduct:

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” 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, policy.usc.edu/scientific-misconduct.

Students and Disability Accommodations:

USC welcomes students with disabilities into all of the University’s educational programs. The Office of Student Accessibility Services (OSAS) is responsible for the determination of appropriate accommodations for students who encounter disability-related barriers. Once a student has completed the OSAS process (registration, initial appointment, and submitted documentation) and accommodations are determined to be reasonable and appropriate, a Letter of Accommodation (LOA) will be available to generate for each course. The LOA must be given to each course instructor by the student and followed up with a discussion. This should be done as early in the semester as possible as accommodations are not retroactive. More information can be found at osas.usc.edu. You may contact OSAS at (213) 740-0776 or via email at osasfrontdesk@usc.edu.

Support Systems:

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

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 and Services (RSVP) - (213) 740-9355(WELL), press “0” after hours – 24/7 on call
studenthealth.usc.edu/sexual-assault

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

Office for Equity, Equal Opportunity, and Title IX (EEO-TIX) - (213) 740-5086
eeotix.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. The university prohibits discrimination or harassment based on the following *protected characteristics*: race, color, national origin, ancestry, religion, sex, gender, gender identity, gender expression, sexual orientation, age, physical disability, medical condition, mental disability, marital status, pregnancy, veteran status, genetic information, and any other characteristic which may be specified in applicable laws and governmental regulations. The university also prohibits sexual assault, non-consensual sexual contact, sexual misconduct,

intimate partner violence, stalking, malicious dissuasion, retaliation, and violation of interim measures.

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

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 Student Accessibility Services (OSAS) - (213) 740-0776

osas.usc.edu

OSAS ensures equal access for students with disabilities through providing academic accommodations and auxiliary aids in accordance with federal laws and university policy.

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

campussupport.usc.edu

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

Diversity, Equity and Inclusion - (213) 740-2101

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, 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

Non-emergency assistance or information.

Office of the Ombuds - (213) 821-9556 (UPC) / (323-442-0382 (HSC)

ombuds.usc.edu

A safe and confidential place to share your USC-related issues with a University Ombuds who will work with you to explore options or paths to manage your concern.

Occupational Therapy Faculty Practice - (323) 442-3340 or otfp@med.usc.edu

chan.usc.edu/otfp

Confidential Lifestyle Redesign services for USC students to support health promoting habits and routines that enhance quality of life and academic performance.

Course Outline: ¹

Weeks	Topic	Activities/Assignments	Due Date
Week 1: 01/10-01/14 synchronous on: 01/13	Ch.1: Introduction Ch.2: Math Review	<ul style="list-style-type: none"> • Read the syllabus • View Ch.2 videos (there are no videos for Ch.1) • Read Ch.1 and 2 	01/12
Week 2: 01/17-01/21 synchronous on: 01/20	Ch.3: Production Choices Part 1 (Sections 3.1 - 3.4.5)	<ul style="list-style-type: none"> • View Ch.3 - Part 1 videos • Read Ch.3 (up to 3.4.5) • Complete Ch.3 – Part 1 Assignment 	01/19
Week 3: 01/24-01/28 synchronous on: 01/27	Ch.3: Production Choices Part 2 (Sections 3.4.6 - 3.5.7)	<ul style="list-style-type: none"> • View Ch.3 - Part 2 videos • Read Ch.3 (3.4.6 onward) • Complete Ch.3 – Part 2 Assignment 	01/26
Week 4: 01/31-02/04 synchronous on: 02/03	Ch.4: Consumption Choices	<ul style="list-style-type: none"> • View Ch.4 videos • Read Ch.4 • Complete Ch.4 Assignment 	02/02
Week 5: 02/07-02/11 synchronous on: 02/10	Ch.5: Market Equilibrium	<ul style="list-style-type: none"> • View Ch.5 videos • Read Ch.5 • Complete Ch.5 Assignment 	02/09
Week 6: 02/14-02/18 synchronous on: 02/17	MIDTERM 1	Midterm 1 on February 17 th covers Chapters 2, 3, 4 and 5	02/17
Week 7: 02/21-02/25 synchronous on: 02/24	Ch.13: Externalities and Public Goods	<ul style="list-style-type: none"> • View Ch.13 videos • Read Ch.13 • Complete Ch.13 Assignment 	02/23
Week 8: 02/28-03/04 synchronous on: 03/03	Ch.6: Monopoly	<ul style="list-style-type: none"> • View Ch.6 videos • Read Ch.6 • Complete Ch.6 Assignment 	03/02
Week 9: 03/07-03/11 synchronous on: 03/10	Ch.7: Price Discrimination	<ul style="list-style-type: none"> • View Ch.7 videos • Read Ch.7 • Complete Ch.7 Assignment 	03/09
03/14-03/18	SPRING BREAK		
Week 10: 03/21-03/25 synchronous on: 03/24	Ch.8: Uncertainty	<ul style="list-style-type: none"> • View Ch.8 videos • Read Ch.8 • Complete Ch.8 Assignment 	03/23
Week 11: 03/28-04/01 synchronous on: 03/31	MIDTERM 2	Midterm 2 on March 31st covers Chapters 13, 6, 7 and 8	03/31

¹ All details in this schedule are subject to change with adequate notice.

Weeks	Topic	Activities/Assignments	Due Date
Week 12: 04/04-04/08 synchronous on: 04/07	Ch.9: Game Theory Part 1 – Static Games	<ul style="list-style-type: none"> • View Ch.9 videos • Read Ch.9 • Complete Ch.9 Assignment 	04/06
Week 13: 04/11-04/15 synchronous on: 04/14	Ch.10: Game Theory Part 2 – Dynamic Games	<ul style="list-style-type: none"> • View Ch.10 videos • Read Ch.10 • Complete Ch.10 Assignment 	04/13
Week 14: 04/18-04/22 synchronous on: 04/21	Ch.11: Asymmetric Information	<ul style="list-style-type: none"> • View Ch.11 videos • Read Ch.11 • Complete Ch.11 Assignment 	04/20
Week 15: 04/25-04/29 synchronous on: 04/28	Ch.12: Incentives and Contracts	<ul style="list-style-type: none"> • View Ch.12 videos • Read Ch.12 • Complete Ch.12 Assignment 	04/27

FINAL EXAM Schedule:

Section 26249 Final Exam **Tuesday** **May 10th** **11am-1pm**
(section with synchronous class at 10am)

Section 26347 Final Exam **Wednesday** **May 11th** **2-4pm**
(section with synchronous class at 12pm)

Final Exam covers Chapters 9, 10, 11 and 12.

Location: **JFF LL125**

Marshall Undergraduate Program Goals and Course Learning Objectives Alignment Table

In this class, emphasis will be placed on the USC Marshall School of Business learning goals as follows:

Goal	Marshall Program Learning Goal	Course Objectives that support this goal
1	<p>Our graduates will demonstrate critical thinking skills so as to become future-oriented decision makers, problem solvers and innovators. Specifically, students will:</p> <p>1.1 Students will understand the concepts of critical thinking, entrepreneurial thinking and creative thinking as drivers of innovative ideas (not explicit for this course).</p> <p>1.2 Critically analyze concepts, theories and processes by stating them in their own words, understanding key components, identifying assumptions, indicating how they are similar to and different from others and translating them to the real world.</p> <p>1.3 Be effective at gathering, storing, and using qualitative and quantitative data and at using analytical tools and frameworks to understand and solve business problems.</p> <p>1.4 Demonstrate the ability to anticipate, identify and solve business problems. They will be able to identify and assess central problems, identify and evaluate potential solutions, and translate a chosen solution to an implementation plan that considers future contingencies.</p> <p>1.5 Students will demonstrate the ability to be accurate, clear, expansive (thorough, detailed) and fair-minded in their thinking.</p>	1-4, 7-8
2	<p>Our graduates will develop people and leadership skills to promote their effectiveness as business managers and leaders in the 21st century's evolving work and organizational structures. Specifically, students will:</p> <p>2.1 Students will recognize, understand, and analyze the motivations and behaviors of stakeholders inside and outside organizations (e.g., teams, departments, consumers, investors, auditors)</p> <p>2.2 Students will recognize, understand and analyze the roles, responsibilities and behaviors of effective managers and leaders in diverse business contexts e.g., functionally diverse, culturally diverse, geographically diverse, etc.</p> <p>2.3 Students will understand factors that contribute to effective teamwork including how to elicit, manage and leverage diverse perspectives and competencies.</p>	8
3	<p>Our graduates will be effective communicators to facilitate information flow in organizational, social, and intercultural contexts. Specifically, students will:</p> <p>3.1 Identify and assess diverse personal and organizational communication goals and audience information needs.</p> <p>3.2 Understand individual and group communications patterns and dynamics in organizations and other professional contexts.</p> <p>3.3 Demonstrate an ability to gather and disseminate information and communicate it clearly, logically, and persuasively in professional contexts.</p>	5
4	<p>Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society. Specifically, students will:</p> <p>4.1 Understand professional codes of conduct.</p> <p>4.2 Recognize ethical challenges in business situations and assess appropriate courses of action.</p>	8
	<p>Our graduates will develop a global business perspective. They will understand</p>	

5	<p>how local, regional, and international markets, and economic, social and cultural issues impact business decisions so as to anticipate new opportunities in any marketplace. Specifically, students will:</p> <p>5.1 Understand how local, regional and global markets interact and are impacted by economic, social and cultural factors.</p> <p>5.2 Understand that stakeholders, stakeholder interests, business environments (legal, regulatory, competitor) and business practices vary across regions of the world.</p>	1
6	<p>Our graduates will understand types of markets and key business areas and their interaction to effectively manage different types of enterprises. Specifically, students will:</p> <p>6.1 Demonstrate foundational knowledge of core business disciplines, including business analytics and business economics.</p> <p>6.2 Understand the interrelationships between functional areas of business so as to develop a general perspective on business management.</p> <p>6.3 Apply theories, models, and frameworks to analyze relevant markets (e.g. product, capital, commodity, factor and labor markets).</p> <p>6.4 Show the ability to utilize technologies (e.g., spreadsheets, databases, software) relevant to contemporary business practices.</p>	1-8