

Econ 351x – Microeconomics for Business Syllabus, Fall 2022

Lecture Times and Locations:

Monday, 8:00-9:50am, JFF LL105 (26004R)

Monday, 10:00-11:50am, JFF LL105 (26349R)

Professor: Dr. Erin Kaplan

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Office: 234 Hoffman Hall

Office Hours: Thursdays 10:00-11:30am or by appointment

Course Administrator: Marc Choueiti

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

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.

Required Materials: We will use the lecture notes “Microeconomics for Business,” by Odilon Câmara and Anthony Marino, which you can access on the course Blackboard page (<http://blackboard.usc.edu>). Throughout the semester I will upload additional required materials to Blackboard.

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 income, 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 adverse 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.

Course Delivery

This class 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. Note that 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.

Office Hours

Students are *strongly* encouraged to attend office hours. The material covered in this course is often challenging, and students should consider office hours an additional resource to aid in their understanding. No appointment is necessary for regularly scheduled office hours. If you are unable to attend during the regularly scheduled hours, you should refer to the recordings. You may contact me to schedule an alternate time to meet; however, due to the size of the class, I am not able to accommodate regular one-on-one meetings.

Peer Tutors: In addition to my office hours, we will have three peer tutors, who will hold regular hours this semester. These students are undergraduates who previously excelled in Econ 351x. They are an excellent resource for you to get clarifications on the content and help with extra practice problems. Hours will be posted on Blackboard.

Technology Policy

I do not mind if students use their laptops or tablets in the classroom because I realize that some prefer to take notes this way. However, using a device for non-educational purposes is very distracting to other students. If you are using a device for non-education purpose, you will be asked to put it away 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.

Professional Conduct

Professionalism will be expected at all times. Classroom discussions allow us to hear a variety of viewpoints, and I encourage respectful disagreement and civilized debate. For this reason, it is vital that we create an environment of mutual respect. Remember that each of us has a unique set of experiences and opinions, and that this diversity is valuable both inside and outside of the classroom. In this course we will support the values articulated in the USC Marshall “[Open Expression Statement](#).”

Academic Misconduct: 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 [Research and Scholarship Misconduct](#).

I have zero tolerance for cheating. All instances of academic misconduct will be reported to SJAC.

Grading Policies

Your course grade will be calculated using the following weights. No curve will be applied to the quantitative course grades. However, letter grades *may* be adjusted upward at the end of the semester for the entire class. No changes will be made on a case-by-case basis. I do not offer extra credit.

<u>Category</u>	<u>Weight</u>
Preparation, Participation, and Contribution	6%
Problem Sets	10%
Exam 1	28%
Exam 2	28%
Exam 3	28%
Total	100%

Preparation, Participation, and Contribution: Preparation and engagement are essential to achieving the learning objectives for this course. Thus, 6% of your final grade in Econ 351x will reflect your preparation, participation, and contribution to the classroom learning environment.

- **Preparation:** Because we will only meet as a class once a week, preparation is vitally important. Students are expected to complete all pre-class assignments prior to the deadline (11:59pm the evening before class). Pre-class assignments will include watching the content videos, completing the knowledge checks embedded in the videos, completing the problem set, and additional assignments posted on the Blackboard page.
- **Participation:** Students are expected to attend all class meetings in person. If you are ill or otherwise unable to attend class for a verifiable reason beyond your control, you need to notify us (econ351@marshall.usc.edu) prior to the missed class session. Students whose absence is excused will be provided with an alternative method for accessing the class materials – e.g., watching a recording of the class session. Regardless of the reason for the missed class, you are responsible for all material covered.
- **Contribution and Professionalism:** Effective class participation requires intellectual engagement – analyzing, commenting, questioning, discussing, and building on others' contributions. This does not mean repeating facts or monopolizing class time. The ability to present one's ideas concisely and persuasively and respond effectively to the ideas of others is a key business skill. One of the goals of this course is to help you sharpen that ability. Thus, 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.
 - engaging professionally with peers, instructional assistants, and faculty.

Problem Sets: Problem Sets are designed to help you practice applying content from the videos and account for 10% of your final grade. Problem Sets will be due on Sundays at 11:59pm PT. The two lowest Problem Set scores will be dropped from final grade calculations, and NO LATE WORK will be accepted. Students are encouraged to work in groups and attend office hours with questions; however, each student is individually responsible for completing and turning in the assigned work. Simply copying another student's work will be considered Academic Misconduct.

Exams: There will be three exams accounting for a total of 84% of your final grade. The exams are not cumulative, so each will cover a different set of course material. Exams will be held in person during the scheduled class time.

Makeup Exams: There will be no make-up exams. By enrolling in the course, you are committing to take the exams and on the scheduled dates. If an exam is missed for an approved reason, the weight of all other components will be increased to compensate for the missed exam. Approval for a missed exam will be rare, and only with appropriate written documentation from an authoritative source indicating why the student was unable to appear for the exam. Normally, only a doctor's certification of a severe medical problem will suffice.

Retention of Graded Coursework: Final exams and all other 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 the student. If I returned a graded paper to you, it is your responsibility to file it.

Course Calendar

Below you will find a schedule of topics for the semester. Please refer to the weekly schedule listed above for expectations about assigned activities and due dates. These schedules are *tentative* and subject to change. All changes will be announced on Blackboard.

Week	Date	Topic	Chapter
1	8/22/2022	Math Review	1, 2
2	8/29/2022	Production	3
3	9/5/2022	No Class: Labor Day	
4	9/12/2022	Production	3
5	9/19/2022	Consumption	4
6	9/26/2022	Market Equilibrium	5
7	10/3/2022	Exam 1	2 - 5
8	10/10/2022	Externalities and Public Goods	13
9	10/17/2022	Monopoly and Pricing	6 & 7
10	10/24/2022	Uncertainty	8
11	10/31/2022	Exam 2	6 - 8, 13
12	11/7/2022	Game Theory - Part 1	9
13	11/14/2022	Game Theory - Part 2	10
14	11/21/2022	Assymetric Information	11
15	11/28/2022	Incentives and Contracts	12
Finals Week		Exam 3	9 - 12

University policy requires the final exam to be given at the time indicated by the University's final exam schedule, www.usc.edu/soc. Instructors do not have discretion to grant exceptions to this policy. No student is allowed to take Exam 3 earlier, to take it with a different section, or to skip it.

Add/Drop Process: Most Marshall classes are open enrollment (R-clearance) through the Add Deadline (see dates below). If there is an open seat, you can add the class using Web Registration. If the class is full, you will need to continue checking Web Registration or the *Schedule of Classes* (classes.usc.edu) to see if a space becomes available. Students who do not attend the first two class sessions (for classes that meet twice per week) or the first class meeting (for classes that meet once per week) may be dropped from the course. There are no formal wait lists for Marshall undergraduate courses, and professors cannot add students or increase the course capacity. If all sections of the course are full, you can add your name to an interest list by contacting the Office of Undergraduate Advising & Student Affairs; if new seats or sections are added, students on the interest list will be notified.

September 9th: Last day to add the class or withdraw without receiving a "W" and receive a refund.

October 7th: Last day to drop a course without a mark of "W" on the transcript.

November 11th: The last day to drop a course with a mark of "W".

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

Below is a list of contact information for various support services, which are available to you. If you are in need of support but unsure who to contact, feel free to reach out to me after class, in office hours, or via email.

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 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.

Reporting Incidents of Bias or Harassment - (213) 740-5086 or (213) 821-8298, usc-advocate.symphlicity.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.

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.

Appendix I:

Undergraduate Program Learning Goals and Objectives (last update 12/21/17)

Learning goal 1: Our graduates will demonstrate critical thinking skills so as to become future-oriented problem solvers, innovators and decision makers in diverse and rapidly changing business environments.

- Students will 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
- Students will demonstrate the ability to be accurate, clear, expansive (thorough, detailed) and fair-minded in their thinking
- Students will 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
- Students will be effective at gathering, storing, and using qualitative and quantitative data and at using analytical tools and frameworks to understand and solve business problems
- Students will understand the concepts of critical thinking, entrepreneurial thinking and creative thinking as drivers of innovative ideas

Learning Goal 2: 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.

- 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.
- Students will understand factors that contribute to effective teamwork including how to elicit, manage and leverage diverse perspectives and competencies.
- Students will recognize, understand, and analyze the motivations and behaviors of stakeholders inside and outside organizations (e.g., teams, departments, consumers, investors, auditors)

Learning Goal 3: Our graduates will be effective communicators to facilitate information flow in organizational, social, and intercultural contexts.

- Students will identify and assess diverse personal and organizational communication goals and audience information needs
- Students will demonstrate an ability to gather and disseminate information and communicate it clearly, logically, and persuasively in professional contexts
- Students will understand individual and group communications patterns and dynamics in organizations and other professional contexts

Learning goal 4: Our graduates will demonstrate ethical reasoning skills, understand social, civic, and professional responsibilities and aspire to add value to society.

- Students will recognize ethical challenges in business situations and assess appropriate courses of action
- Students will understand professional codes of conduct

Learning goal 5: Our graduates will develop a global business perspective. They will understand how local, regional, and international markets, and economic, social and cultural issues impact business decisions so as to anticipate new opportunities in any marketplace.

- Students will understand that stakeholders, stakeholder interests, business environments (legal, regulatory, competitor) and business practices vary across regions of the world
- Students will understand how local, regional and global markets interact and are impacted by economic, social and cultural factors.

Learning goal 6: Our graduates will understand types of markets and key business areas and their interaction to effectively manage different types of enterprises.

- Students will demonstrate foundational knowledge of core business disciplines, including business analytics and business economics
 - Students will understand the interrelationships between functional areas of business so as to develop a general perspective on business management
 - Students will apply theories, models, and frameworks to analyze relevant markets (e.g. product, capital, commodity, factor and labor markets)
 - Students will be able to use technologies (e.g., spreadsheets, databases, software) relevant to contemporary business practices
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Alignment with Marshall School of Business Program Learning Goals

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
5	<p>Our graduates will develop a global business perspective. They will understand 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