

ECON815 Syllabus
Economic Analysis for Business
Kansas State University
Spring 2019

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Course Description

This course teaches how to use the standard principles, methods and tools of economics to analyze topics related to business, public policy, and daily life. First we will cover the principles of economic theory that help explain the market forces that underly the opportunities available to firms. These include demand analysis, production, cost measures, pricing, and analysis of different market structures, and price discrimination. Next we will cover broader issues in game theory and strategic behavior.

By the end of the course students will:

1. understand economic principles that determine economic outcomes like prices.
2. be able to describe basic economic concepts using mathematical models
3. see the applicability of economic principles in a broad set of circumstances

Prerequisite

As stated in the course catalog, this course requires Economics 110 (principles of macroeconomics) or equivalent, Economics 120 (principles of microeconomics) or equivalent, and one semester of calculus.

Textbook and Reading

The textbook for the course will be, Microeconomics, 2nd Edition by Goolsbee, Levitt, and Syverson.

You must have access to the textbook to complete the problem sets. You can supplement with any "intermediate microeconomics" textbook if you already have one. The ISBN is 1464187029. Any format (used, ebook, loose leaf, etc) is fine and you do not need access to the online supplement. You may be able to find the loose leaf pages with ISBN 1464189102 for cheaper.

We will have extra readings (and listenings), drawn from the popular press and academic economics research. We will then discuss them in class, so it is imperative that you have read them. These are listed at the bottom of the syllabus. For select classes, you must turn in a reading reaction piece addressing the questions provided at the start of class.

In the last third of the course we will read *The Art of Strategy: A Game Theorist's Guide to Success in Business and Life* by Avinash Dixit and Barry Nalebuff.

Exams

There will be a midterm exam and a final exam on the following dates:

- Midterm Exam 1: Thursday, February 28, in class
- Midterm Exam 2: Thursday, April 11, in class
- Final Exam: Tuesday, May 14, 9:40-11:30am

The course material is necessarily cumulative. It is difficult or impossible to understand the later material without a firm grasp on the beginning of the course. However the final exam will not go out of its way to test material from prior to the midterms.

Excused absences from exams will be made up by applying the weight from the missed exam forward to the final. Unexcused absences from exams will result in failing the exam.

Problem Sets

Approximately biweekly problem sets will be distributed. The problem sets will be graded, but the lowest problem set grade will be dropped. Thus, no late problem sets will be accepted. If you have an emergency that prevents you from turning in a problem set, I will count that as your lowest grade.

I encourage you to work with classmates on the problem sets. However, you must hand in your own set of answers with explanations in your own words. When problems require calculations or math, you must show your work. Identical copies of joint work are not acceptable.

Problem set solutions will be provided.

Participation in Discussions

You are expected to come to class prepared to discuss the day's reading and material. Class participation will be assessed according to your contribution to our learning. Attendance is necessary but not sufficient.

Grading

Final grades will be assigned with the following weights:

20% Midterm Exam 1

20% Midterm Exam 2

25% Final Exam

15% Problem Sets

10% Reading Responses

10% Participation

Course Outline

- Supply and Demand (GLS Ch 2-3)
- Production in Competitive Markets (GLS Ch 7-8)
- Firms with Market Power (GLS Ch 9-10)
- Imperfect Competition (GLS Ch 11)
- Game Theory (AoS Chs)
- Principal-Agent Problems (GLS Ch 16, AoS Ch 13)
- Auctions (AoS)

Academic Accommodations

Students with disabilities who need classroom accommodations, access to technology, or information about emergency building/campus evacuation processes should contact the Student Access Center and/or their instructor. Services are available to students with a wide range of disabilities including, but not limited to, physical disabilities, medical conditions, learning disabilities, attention deficit disorder, depression, and anxiety. If you are a student enrolled in campus/online courses through the Manhattan or Olathe campuses, contact the Student Access Center at accesscenter@k-state.edu, 785-532-6441; for K-State Polytechnic campus, contact Academic and Student Services at polytechnicadvising@ksu.edu or call 785-826-2974.

Honesty

Kansas State University has an Honor and Integrity System based on personal integrity, which is presumed to be sufficient assurance that, in academic matters, one's work is performed honestly and without unauthorized assistance. Undergraduate and graduate students, by registration, acknowledge the jurisdiction of the Honor and Integrity System. The policies and procedures of the Honor and Integrity System apply

to all full and part-time students enrolled in undergraduate and graduate courses on-campus, off-campus, and via distance learning. The Honor and Integrity System website can be reached via the following URL: www.k-state.edu/honor. A component vital to the Honor and Integrity System is the inclusion of the Honor Pledge which applies to all assignments, examinations, or other course work undertaken by students. The Honor Pledge is implied, whether or not it is stated: "On my honor, as a student, I have neither given nor received unauthorized aid on this academic work." A grade of XF can result from a breach of academic honesty. The F indicates failure in the course; the X indicates the reason is an Honor Pledge violation.

Student Expectations

All student activities in the University, including this course, are governed by the Student Judicial Conduct Code as outlined in the Student Governing Association By Laws, Article V, Section 3, number 2. Students who engage in behavior that disrupts the learning environment may be asked to leave the class.