

ECONOMICS 315
INTERMEDIATE BUSINESS MICROECONOMICS
MTWTH: 1:00 pm-3:15 pm; LH 315

Office SGMH 3330
Office Hours: Tuesdays 3:15-4:15 pm, Thursday 3:15 - 4:15 pm, and by appointment
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Prerequisites:

Principles of Microeconomics (Econ 201) and Math 135; co-requisites BusAd301.

Recommended text:

Baye, Michael R., *Managerial Economics and Business Strategy*

Course Background:

This course is designed to offer the necessary tools for analyzing efficient economic decisions from a managerial perspective in an increasingly dynamic global environment. The course offers a comprehensive coverage of market forces, market equilibrium, producer theory, cost minimization and profit maximization techniques, market structures and their characteristics, and analysis of game theory. In addition, the course blends fundamental concepts of microeconomic theory with current issues that have become increasingly important in the current business world such as: (i) Ethical issues, (ii) Global issues, (iii) Political, social, legal, regulatory, and environmental issues, (iv) Technological issues, and (v) The impact of diversity on organizations.

Teaching Method:

Lectures, discussions, practice problems and tests will be used for teaching and assessment purposes.

Warning on Math Knowledge:

The nature of this course is quantitative and requires a good command of mathematical analysis; knowledge of graphs, functions, algebraic manipulations and basic calculus is essential for understanding the course material.

Grading and Exam Policy:

Grade Weights and Important Dates

Exams	Grade Weight	Date
Midterm 1	30%	Week 2
Midterm 2	30%	Week 4
Final Exam	40%	June 30

- ALL exams are closed notes, closed book
- No cheat-sheets will be allowed on any exam
- In ALL exams you are required to bring a SCANTRON (882-E form) and CALCULATOR
- MAKE-UP EXAMS are generally not allowed. I would consider them only under the direst of extenuating circumstances (illness or other extreme emergency of which I should be notified IMMEDIATELY) **if and only** if you present proper documentation (e.g., doctor's note). Should I decide to allow a make-up exam, it should be taken on the first Monday following the week of the exam. If this is not possible under these very extreme circumstances, the final exam will carry the additional weight (again provided that you have valid proof).
- Final Exam is cumulative (comprehensive)

- Grades will be determined using the plus/minus system according to the following breakdown:

A+	A	A-	B+	B	B-	C+	C	D+	D	D-	F
97-100	93-96	90-92	87-89	82-86	80-81	77-79	70-76	67-69	63-66	60-62	0-59

Course Policies:

Extra Credit

- **Attendance** – I will apply 2 EXTRA CREDIT towards your FINAL GRADE for class attendance. I will pass around a sign-up sheet during each class meeting; please make sure to sign it.
- **Other Extra Credit**– There will be opportunity for extra credit work during the semester.
- **After Summer Session** – I DO NOT assign extra credit work AFTER the session is over.

Test Preparation

- **Practice Problem Sets** - I will post various solved examples relating to the subject matter **daily** on Blackboard. You are responsible for reading and understanding these solved problems as the vast majority of questions in the exams will come from these exercises.
- **Other Material** – I will also post various handouts and PowerPoint on Blackboard.
- **Lecture Notes** – The VAST majority of the material covered will come from lecture notes, PowerPoints, and handouts. Class notes are very important and you should make every attempt to attend class or get lecture notes from another student when you are unable to attend.
- **Book Chapters** – You should study selected, relevant book chapters from Baye, Managerial Economics
- **Test Composition** - Tests will be based on class notes, solved in-class examples, solved questions posted daily on Blackboard, handouts, PowerPoints and book materials. Exams will include a combination of multiple choice questions and problem-solving questions similar to in-class examples and Blackboard Problem Sets.

Class Attendance and Behavior

- **Attendance** – Since attendance is NOT MANDATORY but EXTRA CREDIT please DO NOT CONTACT me if you are unable to attend on any given day.
- **Laptops** – The use of laptops is PROHIBITED. I deduct 5 points from your exam for each laptop usage.
- **Cell Phones** – All cell phones must be TURNED OFF during class.
- **Text-Messaging** – You are NOT allowed to text message, use iPods, iPhones or any other electronic device in class.
- **Disruptive Behavior** – If you talk excessively during class or disrupt the class I will assign you a new seat. I will deduct 10 points from your final exam for any further disruptive behaviors.
- **Activities not Related to Class** – You are NOT allowed to eat, read newspapers, magazines, books or work on other material (or study for other course) during class.

Other

- **Final Grade** – The final course grade is the instructor’s final evaluation of the student’s performance and is not open for negotiation once it has been assigned
- **BlackBoard** – It is VERY IMPORTANT that you HAVE ACCESS to BLACKBOARD and check it frequently.
- **CSUF E-mail** – You should keep a current CSUF e-mail address and check it periodically as I will often communicate with you via the e-mail distribution list on Blackboard.
- **Class Information** – Please note that instructor’s office location and office hours are denoted in the syllabus and also posted on Blackboard under Course Information. Please refer to these sources and DO NOT contact me regarding information on office location and office hours.
- **E-mail Usage** – Please use my e-mail address ONLY for issues related to the class. Please sign your name and class.
- **Recording Lectures** – Please DO NOT record my lectures without my explicit consent
- **University Policy Regarding Academic Dishonesty** - Cheating on exams is against the rules. Consequently, academic dishonesty will result in a lower letter grade for the work at hand, and may result in an “F” for the course, plus additional university disciplinary actions.

Message from the Mihaylo College of Business and Economics (MCBE):

The main purpose of the degree program at the College Mihaylo College of Business & Economics (College) at Cal State Fullerton is to provide you with the knowledge and skills that prepare you for a successful career in business. In order to assist us in achieving this goal, we will use a number of assessment tools to track your progress throughout the College curriculum. Please expect to participate in College assessment activities in several of your courses while at CSU, Fullerton. As you do so, you will assist us in identifying our program's strengths and weaknesses as well as areas for potential improvement. In other words, you are making an important investment in the value of your degree.

TENTATIVE COURSE OUTLINE¹

I. Introduction to Managerial Economics Scarcity and Economics Opportunity Cost Markets and Profitability	Ch. 1 Global (ii) Social (iii)
II. Mathematics Review I Equations, graphs, functions, slopes, areas	Lecture Notes
III. Market Forces: Demand and Supply Demand; Demand Shifters; Demand Functions Supply; Supply Shifters; Supply Functions Consumer and Producer Surplus Elasticity; Own Price Elasticity; Cross-Price Elasticity; Income Elasticity Elasticity and Demand Functions	Ch. 2, Ch. 3 & Handout Global (ii) Social (iii)
<u>Exam 1 -- Covering Topics I, II, and III</u>	
IV. Mathematics Review II Calculus Review, system of equations	Handout
V. Producer Theory: The Firm Technology: Production Function, productivity, isoquants, isocosts Optimization: Profit Maximizing/Cost Minimizing Level of Output Costs: total cost, average cost, marginal costs, fixed costs, sunk cost, short-run and long-run costs	Ch. 5 Global (ii) Social (iii) Technological (iv)
<u>Exam 2 -- Covering Topics IV and V</u>	
VI. Perfect Competition Demand and Supply for the Competitive Firm Short-Run and Long-run Profit Maximizing Decision	Ch. 8 Legal, regulatory (iii) Technological (iv)
VII. Monopoly Monopoly, Monopoly Pricing and Profit Maximization Implications of Entry Barriers: Social and Ethical Issues	Ch. 8 Social (iii) Legal, regulatory (iii)
VIII. Basic Game Theory Dominant Strategy Equilibrium One-Shot Games Applications of One Shot Games	Ch. 10 Ethical (i) Social (ii)

Final Exam -- Comprehensive

¹ The professor reserves the right to change this tentative course outline at any time during the course of the summer session. You will be notified in advance of any changes.