

ECONOMICS 515
INTERMEDIATE BUSINESS MICROECONOMICS
W: 4:00 pm-6:45 pm; SGMH 2113

Office: SGMH 3330
Office Hours: Wednesday 2:30-3:30 pm, Thursday 5-6 pm, and by appointment
E-mail: efarka@fullerton.edu
Phone: (657) 278-7281

Prerequisites:

Classified MCBE status and Math 135 or equivalent.

Recommended text:

Baye, Michael R., *Managerial Economics and Business Strategy*; 6th Edition

Course Background:

This course is designed to offer MBA students the necessary tools to undertake efficient economic decisions from a managerial perspective in an increasingly dynamic global environment. The course has three objectives: (i) to develop students' understanding of microeconomic concepts, (ii) to improve student's critical thinking skills necessary to evaluate microeconomic decisions, (iii) to provide the opportunity to learn and debate about current microeconomic issues. 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.

Teaching Method:

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

Mathematical 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	25%	September 30
Midterm 2	25%	November 18
Final Exam	35%	December 16 5:00-6:50
Quizzes/HWK	15%	TBA

- ALL EXAMS and IN-CLASS QUIZZES are closed notes, closed book
- No cheat-sheets will be allowed on any EXAM or QUIZ
- You are required to bring a calculator in the exam

- ❑ MAKE-UP EXAMS or QUIZZES will be allowed only under very extreme circumstances (illness or emergency of which I should be notified IMMEDIATELY and PRIOR to the EXAM/QUIZ) and should be completed within ONE WEEK of the EXAM/QUIZ DATE. If this is not possible under these very extreme circumstances, in the case of a missed midterm the grade of the other midterm will count twice and in the case of a missed quiz, the grade of the other two quizzes will count more. You will be required to provide proof for missing an exam/quiz.
- ❑ Take-home quizzes/homeworks are due at the beginning of the following class
- ❑ Final Exam is cumulative

Furlough Policy:

In compliance with the furlough policy mandated by president Gordon, please be advised that there will be NO CLASS on Wednesday, October 21.

Course Policies:

Test Preparation

- ❑ **Practice Problem Sets** - I will post various solved examples relating to the subject matter **weekly** on the 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, handouts, and book chapters. 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.
- ❑ **Test Composition** - Tests will be based on class notes, solved in-class examples, solved questions posted weekly on Blackboard, handouts, PowerPoints, and book materials. Exams will include a combination of problem-solving similar to in-class and Blackboard examples and multiple choice questions.

Class Attendance and Behavior

- ❑ **Attendance** - Although attendance is not mandatory, a substantial amount of the material covered will come from lecture notes. As such, you should make every attempt to attend class or get lecture notes from another student when you are unable to attend.
- ❑ **Computers** – Although the class is going to be held in a lab, you are NOT permitted to check e-mail, play with the internet or carry out other computer-related activities during lectures.

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.
- ❑ **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 (CBE):

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
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
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
VI.	Perfect Competition Demand and Supply for the Competitive Firm Short-Run and Long-run Profit Maximizing Decision	Ch. 8
VII.	Monopoly & Monopolistic Competition Monopoly, Monopoly Pricing and Profit Maximization Implications of Entry Barriers: Social and Ethical Issues Profit Maximization Under Monopolistic Competition	Ch. 8
VIII.	Game Theory Dominant Strategy Equilibrium One-Shot Games Mixed Strategies Applications of One Shot Games	Ch. 10
IX.	Oligopoly Sweezy Oligopoly Cournot Oligopoly	Ch. 9

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