Review Session

Overview:

- Comprehensive
- 2 hours
- 2 sections
- Each section will have 6 numbered parts, of which you may skip one.
- Each part will include information you will use to answer the questions in that part.
- These questions will be indicated with letters: (a) if there is one, (b) if there is a second, and so forth.

PUT THE NOTE HERE

Section 1:

- This will cover the information that was on the mid-term.
- The original five parts will be repeated with minor edits.
- There will be one additional question.

Section 1 - parts that repeat from mid-term

Section 1 Part 1: Cost functions

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- Average cost,  marginal cost, incremental costs.
- When do they exist, when do they differ, when do the differences matter.
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Section 1 Part 2: Regression and Plotting

- Review the process from lecture TODO

Section 1 Part 3: Interpret Plots of Data and Trends

- Review the characteristics of good model fit.
- Consider both how to use intuition to interpret the model, and how to use the relation between the data and the model (or trendline) to evaluate the model.
- Remember that just because data is on the graph, does not mean that we should be using it.

Section 1 Part 4: Constrained Maximization

- Be able to set up an objective function.
- Identify the choice variables.:
- Identify the constraints.
- Understand what it means for a constraint to bind, or to be slack.
- Understand shadow constraints, and explain their real world meaning.

Section 1 Part 5: Multiple Choice questions about taxes.

- concept list her eee TODO

Section 1 Part 6: Data Science work flow

- points

Section 2 - parts that cover material not on the mid-term

Economics of agency

- The following issues will be covered:
- Separation of ownership and control
- The nature of the pricipal agent problem.
- Risk aversion and incentives

Section 2 Part 2: Transfer Pricing

- Vik-Giger

Section 2 Part 3: Cost Allocation

- Waht is the problem that we are trying to solve (tragedy of the commons)

Section 2 Part 4: Absorption Costing

- Navisky, Aspen, Kothari
- add the breakdowns to navisky

Section 2 Part 5: Activity Based Costing   Conceptual understanding of

Section 2 Part 6: Budgets/Standard Costs   Concept on budgets

Line up the breakdown of the variances