

**Economics 301: Business Economics**  
**Spring 2014**  
**Syllabus**

Professor Steven Bednar

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**Office Hours:** M,W 1:15-3:15, or by appointment (email me to set a time).

**Office Location:** 118 KOBC

**Course Time and Location:**

M/W 3:35pm –5:15pm, KOBC 310

**Text:** There is no required textbook for this course. I will post class notes online. Reading the notes alone will not substitute for attending class.

**Course Description and Objectives:** Business Economics provides a broad overview of the economics of organization and business decision-making. The goal of this course is for you to develop the skills necessary to make optimal managerial decisions given different situations, environments, and information sets by applying microeconomic theory, which involves analytical work. By the end of this class, you should be able to

- Interpret demand functions and elasticities and use this information to make optimal pricing decisions.
- Determine the firm's optimal input usage, given alternative production functions and input prices.
- Recognize different market structures and make optimal decisions based on the economic environment in which your firm operates.
- Formulate alternative pricing strategies that will allow a firm with market power to increase its profits.
- Calculate various measures of market power and explain how these measures are used in evaluating horizontal mergers.

**Lecture Slides:** I will post “incomplete” lecture slides on Moodle before each lecture. I will make use of the board for demonstration problems and graphs and we will discuss the material so you should still plan on taking notes each class. You can print the slides out and bring them to lecture so that you can take additional notes directly on them. Print 4 per page in landscape setting.

**Course Grades:** Assessments will be weighted as described below.

Exam/Assignment	Percentage of Grade
Exams: 3 weighted equally	60%
Homework: 6 weighted equally	20%
Newspaper Responses: 6 weighted equally	10%
Quizzes: 6 weighted equally	10%
Total	100%

**Exams (60%):** Exams will cover material listed on syllabus. While the exams will be limited to material covered after the previous exam, the material is cumulative in nature. Exams test whether or not you understand that material and not if you can do problems just like homework problems but with different numbers. If you are prepared you will do well.

**Homework Assignments (20%):** There will be 6 homework assignments throughout the semester. Homework assignments are due at the beginning of class on the due date. **No late homework will be accepted except when authorized by the university.** If you are going to miss class on the due date, you may turn in your homework **early** or send it with one of your classmates. These assignments will take some time and effort. I suggest working on them early so that you may come see me for help if needed. I will drop the lowest scored homework from your overall score.

**Newspaper Responses (10%):** Much of what you will learn in this class has real world applications. I will hand out five newspaper articles throughout the semester *in class* that relate to a topic we have discussed and will give guidelines for a written response due the following lecture. After you hand in your responses we will discuss the articles as a class. You can skip one response without penalty. You will get full credit if you respond to all of the prompts in a coherent manner.

In addition, you must find *one* outside source on your own and provide a summary for how it relates to material from the class. You must email me a link to the story with your writeup. You can use a newspaper article, magazine article or a clip from a television show or movie.

**Quizzes (10%):** Quizzes will be in class (during the first 10 minutes, so don't be late!) and unannounced. They will be extremely easy if you are keeping up with the material. There will be 6 quizzes, each graded out of 10 points and I will drop your lowest scored quiz. Each quiz will have three questions and grading is as follows: skip class = 0/10, come to class but get a zero = 6/10, 1 = 8/10, 2 = 9/10 and 3 = 10/10. There is a huge incentive to just show up to class.

**Attendance:** Attendance is not mandatory in the sense that I will not lower your grade for missing class. However, there is no make-up for quizzes or newspaper articles, so if you do not come to class but do perfect on everything else you will have 80%, which might not be a B! Historically, students who consistently skip Econ 301 lecture have either failed or barely passed. This is not a class that you can show up only for the exams and expect to do well in.

**Extra Credit:** There are **no** extra credit opportunities in this course. I do drop the lowest scored homework, quiz and newspaper article.

**Final Exam:** All students must take the final exam at the scheduled time set by the university. The final exam will be the length of the other in-class exams and will be limited to the material covered after the second exam.  
Saturday May 17 at 11:30am.

In the past, course grades have been determined using the following scale:

93 – 100	A
90 – 92	A-
87 – 89	B+
83 – 86	B
80 – 82	B-
78 – 79	C+
73 – 77	C
70 – 72	C-
68 – 69	D+
63 – 67	D
60 – 62	D-
0 – 59	F

The curve may be more generous if I feel that grades do not reflect the work students have put into the course. However, a final score below 60 will not pass under any circumstances.

**Honor Code:** You are reminded that the Elon University Honor Code is in effect for all academic work. Do your work in accordance with that honor code. You are allowed and encouraged to work together on homework assignments, but collaboration on exams is strictly forbidden and all work ***must be written in your own words.***

**Disability Accommodations:** If you are a student with a documented disability who will require accommodations in this course, please register with Disabilities Services in the Duke Building, Room 108 (278-6500), for assistance in developing a plan to address your academic needs.

**Make up Exams:** Should you miss an exam, be aware that makeup exams may follow a variety of formats including take home essays and oral examinations and will only be given in accordance with the rules set forth in the student handbook. You must “contact the assistant vice president for academic affairs in the provost's office (Alamance 120) to present verification” of medical emergencies that prevent you from taking an exam. “Requests by a student to miss or reschedule only one exam during a semester must be made to the appropriate department chairperson. When the chair agrees that the reason for missing is justifiable, the student is responsible for working with the faculty member to complete the work for that course.” The chair for this class is Dr. Jim Barbour. Exam dates are given on the schedule below.

**My expectations of you:**

1. Come to class prepared to learn and ask questions when concepts are not clear.
2. Respect the other students and myself by not texting or surfing the web during class. This is a serious distraction to those around you. If your time is better spent messaging your friends, do so outside of class.
3. Seek help early if you need it. **There is nothing you can do at the end of the semester to change your grade, only things you could have done during the semester.**

4. Work through the problem sets on your own before asking for help.
5. Get notes from another student if you miss class. You are responsible for understanding the material even if you miss class. There are no make-up lectures.
6. Stay on top of assignment due dates (see below!).

**Expectations of me:**

1. Show up to class prepared to teach the material. Be organized and stay on track.
2. Offer support outside of the classroom. See my office hours listed at the top of this syllabus. I will respond to questions via email.
3. Grade your work in a timely manner.
4. I am invested in your success in this class if you are willing to put in the necessary work.

Course Schedule				
#	Day	Date	Topic	Notes
1	W	2/5	Syllabus, Math Review, Marginal Cost and Benefit	
2	M	2/10	Supply and Demand	
3	W	2/12	Supply and Demand, Elasticities	
4	M	2/17	Elasticities	
5	W	2/19	Perfect Competition	HW #1 DUE
6	M	2/24	Monopoly	
7	W	2/26	Oligopoly - Cournot	
8	M	3/3	Oligopoly – Stackelberg	
9	W	3/5	Oligopoly – Bertrand	HW #2 DUE
10	M	3/10	Review	
	W	3/12	Exam 1	
11	M	3/17	Game Theory	
12	W	3/19	Game Theory	
	M	3/24	No Class – Spring Break	
	W	3/26	No Class – Spring Break	
13	M	3/31	Game Theory	
14	W	4/2	Game Theory	HW #3 DUE
15	M	4/7	Game Theory	
16	W	4/9	Advanced Pricing Strategies	HW #4 DUE
17	M	4/14	Advanced Pricing Strategies	
18	W	4/16	Review	HW #5 DUE
	M	4/21	No Class – Easter Holiday	
	W	4/23	Exam 2	
19	M	4/28	Horizontal and Vertical Integration	
20	W	5/30	Excel	
21	M	5/5	Excel	HW #6 DUE
22	W	5/7	Excel	
23	M	5/12	Excel	