

**COURSE INFORMATION****Division: Strategy and Business Economics Fall 2013**

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Room 268 HA ph. 604-827-3844  
Office hours: TUES 3:00-4:00; Wed 3:00-4:00  
Sections: 106: TTH 11:00-12:30  
Location: HA 491

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The course website can be access through *Connect* at [elearning.ubc.ca/connect/](http://elearning.ubc.ca/connect/)  
This course is cross-listed: COMM 295 and FRE 295.

**COURSE DESCRIPTION**

Managerial Economics covers the economic foundations of managerial decision-making. Topics include supply and demand, empirical methods, production and cost, organization and objectives of the firm, competition and monopoly, pricing with market power, oligopoly and monopolistic competition, game theory, uncertainty, information, the agency problem, behavioural economics, and market failure.

**LEARNING OBJECTIVES**

By the end of the course, students should be able to apply economic models and economic analysis to a wide range of business problems, especially pricing decisions and competitive strategy decisions. In carrying out economic analysis students should be comfortable using diagrams, a variety of mathematical techniques, and spreadsheets.

**ASSESSMENT****Assignments**

#1 Distributed Sept. 17, due Oct. 1 at beginning of class	– 5%
#2 Distributed Nov. 7, due Nov. 21 at beginning of class	– 5%

**Midterm Exam**

Tuesday, Oct. 22, 6:30—8:30 pm	– 35%
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<b>Class Participation</b> (including clicker questions)	– 10%
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<b>Final Exam</b>	– <u>45%</u>
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<b>Total:</b>	<b>100%</b>
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**Required Textbook:**

*Managerial Economics and Strategy* by Jeffrey Perloff and James Brander. This textbook is available in the UBC bookstore.

**Technology Requirements:** All students must have an iClicker and should have a laptop computer. All students must be able to access the Connect website.

**Course Schedule**

Class	Day	Date	Reading	Topic
1	Thurs	5-Sep	1,2, 3.1	Introduction, Supply and Demand, Elasticity
2	Tues	10-Sep	3.2	Estimation I
3	Thurs	12-Sep	3.3, 3.4	Estimation II
4	Tues	17-Sep	4.1-4.4, 5.1-5.4, 6.1-6.3	Consumer Theory, Production, and Cost
Assign 1 distributed				
5	Thurs	19-Sep	7.1-7.5	Organization of the Firm, Profit-Maximization
6	Tues	24-Sep	8.1-8.6	Competition, Surplus and the Invisible Hand
7	Thurs	27-Sep	9.1-9.4, 10.1	Monopoly; Pricing with Market Power
8	Tues	1-Oct	10.2-10.5	Price Discrimination; Two-Part Pricing
Assign 2 due (beginning of class)				
9	Thurs	3-Oct	10.6-10.7	Bundling; Peak-Load Pricing
10	Tues	8-Oct	11.1, 11.2	Cartels, Cournot Oligopoly
11	Thurs	10-Oct	11.3, 11.4	Bertrand Oligopoly, Monop. Comp
12	Tues	15-Oct	12.1-12.3	Game Theory I: Static Games
14	Thurs	17-Oct	12.5, 13.1	Game Theory II: Auctions, Repeated Games
	Tues	22-Oct		<b>Midterm – no class</b>
15	Thurs	24-Oct	13.2 – 13.5	Sequential Games, Stackelberg, Entry
16	Tues	29-Oct	14.1-14.4	Uncertainty.
17	Thurs	31-Oct	13.6, 14.5	Behavioral Economics
18	Tues	5-Nov	15.1-15.2	Adverse Selection
19	Thurs	7-Nov	15.3	Moral Hazard and Agency
Assign 2 distributed				
	Tues	12-Nov		Economic Research Example
20	Thurs	14-Nov	15.4, 15.5	Contracts/Monitoring
21	Tues	19-Nov	16.1, 16.4	Market Failure
22	Thurs	21-Nov	various pages	Economics of Energy
Assign 2 due (beginning of class)				
23	Tues	26-Nov		Catch-Up
24	Thurs	28-Nov		Review
	TBA	TBA		<b>Final Exam</b>