

Economics 101
Dr. Julie Gonzalez
Primary section modality: Asynchronous
Secondary section modality: Synchronous
Final Exam modality: Synchronous

UCSC
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MANAGERIAL ECONOMICS

Economics 101 is a second course in microeconomics at the intermediate level. This course emphasizes the interactions among firms in the market and optimal behavior from the manager's standpoint. It takes the theory of microeconomics and teaches you how to apply it to practical scenarios that managers face in for-profit firms. Because the class examines optimal decisions, the profit-maximizing behavior applies to non-profit as well as public sector organizations. The course focuses primarily on applying microeconomic theory to managerial decisions. For this reason, it is taught optimally in an online asynchronous format, which allows you to re-learn core microeconomic theories and then practice applying them in a way that is less straightforward. How, for example, should a manager best compensate a salesperson? Should salespeople be paid by the hour? Should managerial negotiators take the threats of striking laborers seriously? Are the answers to these questions less obvious than they first appear?

The primary lecture of this course is offered in an asynchronous online modality to facilitate your learning: Lecture videos cover theoretical topics are short, to the point, and easy to search; you can easily return to them to refresh your understanding as you apply the theories you learn throughout the quarter to practical problem sets. While viewing the videos, you will be answering questions as you listen to the lectures.

In business management contexts, a manager applies different aspects of macroeconomic theory to various questions of optimization. How much should the firm produce? What pricing mechanism should be applied? Because the foundations of microeconomic theory apply to myriad managerial contexts, we will use the topical videos throughout our learning of specific managerial applications. We will apply aspects of elasticity from

chapter 3 to pricing in chapter 11. We will apply aspects of deadweight loss from chapter 2 to the study of monopolies in chapter 14. For this reason, we will move between topics quite frequently. The videos, which are searchable, are listed by topic. When working through problem sets, students can use the videos to guide their problem-solving. Some of this problem solving will be embedded in the videos themselves.

COURSE MATERIALS

The required textbook is *Managerial Economics and Business Strategy* by Michael R. Baye. We will be using an online text through McGraw Hill that costs \$79. This will include the e-textbook, online homework, and online quizzes. The product is McGraw Hill's Connect (maybe you have used it before). I have by-passed the bookstore to save 30%, however, if you need to purchase the product there, you may.

LEARNING OBJECTIVES AND OUTCOMES

1. Apply microeconomic concepts such as supply and demand, elasticity, and optimization to achieving the goals and objectives of a manager.
2. Use game theory to develop an understanding of market structure and optimal managerial strategies in different contexts.
3. Demonstrate the use of the time value of money in multiple managerial contexts.
4. Develop an understanding of the nuances of market structure beyond the simple categories introduced in principles courses.
5. Explain the role of government in the market as it applies to multiple sources of market failure such as externalities, public goods, monopoly, asymmetric information, and market power.
6. Apply the appropriate pricing strategy to achieve the goals of profit maximization for managers in various contexts.
7. Understand the production decisions of a manager as they connect to his or her goal of profit maximization.
8. Analyze a business case study using the tools learned in the course.

COURSE REQUIREMENTS

This course is asynchronous except for weekly section and the final exam. Homework will be assigned online and will be due by 11:59 p.m. on Sundays. These assignments are on the Connect website and will count 15% toward your final grade. I will provide you with a significant amount of review material for you to watch that should help you work through the homework problems. Participation in a group project will account for 5% of your grade. You will collaborate with other members in the course to write about a game theory topic introduced later in the course. Participation will count toward your project grade. The final case analysis will be individual.

One hour of weekly section is mandatory. You will work on problem solving in break-out rooms as well as with a larger group. This will count for 5% of your final grade.

SCHEDULE

July 29th: Zoom Meeting/Syllabus Coverage

July 29-August 3: Foundations of Effective Management, Supply and Demand, Comparative Statics, Elasticity, Market Interventions, and Tax Incidence (Baye Chapters 1-3)

July 29-August 3: Consumer Theory (Baye Chapter 4) (January 15th is a University holiday)

QUIZ 1 (covers chapters 1 & 2)

August 4-10: Production, Marginal Cost & Marginal Product, and Multi-Product Cost Function (Baye Chapter 5)

August 4-10: Optimal Input Procurement and The Principal-Agent Problem (Baye Chapter 6)

QUIZ 2 (covers chapter 3 & 4) and QUIZ 3 (covers chapter 5)

August 11-17: Market Structure Indices, Monopoly, Multi-Plant Monopoly, and Monopolistic Competition (Baye Chapter 7 and 8)

August 11-17: Oligopoly Models (Baye Chapter 9)

QUIZ 4 (chapter 6 & 7) and QUIZ 5 (chapter 8)

August 18-24: Oligopoly Models Part 2 and Game Theory (Baye Chapter 10) (February 19th is a University holiday)

August 18-24: Review

QUIZ 6 (chapter 9) QUIZ 7 (chapter 9)

August 25-31: Pricing Strategies #1 and Pricing Strategies #2 (Baye Chapter 11)

August 25-31: Market Failures: Monopoly, Market Failures: Externalities, Public Goods and Common Resources, Market Failure Connections, and Market Failures: Asymmetric Information (Baye Chapter 14)

QUIZ 8 (chapter 10) and QUIZ 9 (chapter 10)

I have set up the course in Modules so that it is easy to follow asynchronously.

EXAMS

You will take two quizzes in Connect at the end of each week, including the first and last week of classes. These quizzes are each worth 7.5% of your overall grade. Measures will be taken to maintain academic integrity. I will open between 9 and 10 quizzes so that you can drop at least one of them.

The remaining 15% of your grade will come from a final exam in Canvas. The **final exam** will be 90 minutes in length, and the date and time will be held on the last day of summer

session: Friday, August 30th from 6 a.m. to 11:59 p.m. You choose when to take it within that window.

While quizzes and exams are open-book, students are advised to learn the material and concepts throughout the course, and not rely on looking up material during these assessments.

THERE WILL BE NO MAKE-UP QUIZZES or EXAMS. You must keep up with course information.

STUDENT EVALUATION AND FEEDBACK

Weekly Canvas Quizzes	7.5% each or 60% total
Weekly Homework	15%
Final Exam	15%
Weekly Section Attn.	5%
Case Study Group Project	5%

HOURS EXPECTED (PER WEEK)

Reading 3
Lecture 4
Homework 2
Review Problem Videos 2
Section 1
Studying 2
Group Project 1

OFFICE HOURS/PHONE/EMAIL/WEBSITE

My office hours will be held on Mondays at 7:00 p.m. (Pacific Time) via Zoom, and by appointment. The link to the office hours will be on the syllabus page of Canvas. My email address is jhgonzal@ucsc.edu.

DISABILITY ACCOMMODATIONS

UC Santa Cruz is committed to creating an academic environment that supports its diverse student body. If you are a student with a disability who requires accommodations to achieve equal access in this course, please affiliate with the DRC (<https://drc.ucsc.edu/>). I encourage all students to benefit from learning more about DRC services to contact DRC by phone at 831-459-2089 or by email at

drc@ucsc.edu. For students already affiliated, make sure that you have requested Academic Access Letters, where you intend to use accommodations. You can also request to meet privately with me during my office hours or by appointment, as soon as possible. I would like us to discuss how we can implement your accommodations in this course to ensure your access and full engagement in this course.”

ACADEMIC INTEGRITY

All work must be completed independently. The homework is designed to give you multiple attempts to improve. The quizzes are taken once. Books can be used for either of those assignments. No textbooks should be used during exams. No student should be sending emails or texts to students in the class during the exam, or posting anything to piazza. The exams are timed and meant for you to complete entirely on your own. Any student that requests course materials from previous quarters is assumed to be attempting to cheat. If it is found that a student has made such a request, they will receive an F in the course.

All members of the university community are expected to present as their original work only that which is truly their own. All members of the community are expected to report observed instances of cheating, plagiarism, and other forms of academic dishonesty in order to ensure that the integrity of scholarship is valued and preserved at UCSC.

In the event a student is found in violation of the UCSC Academic Integrity policy, he or she may face both academic sanctions imposed by the instructor of record and disciplinary sanctions imposed either by the provost of his or her college or the Academic Tribunal convened to hear the case. Violations of the Academic Integrity policy can result in dismissal from the university and a permanent notation on a student's transcript.

For the full policy and disciplinary procedures on academic dishonesty, students and instructors should refer to the Academic Integrity Page at the Division of Undergraduate Education (<https://ue.ucsc.edu/academic-misconduct.html>)

TITLE IX

The university cherishes the free and open exchange of ideas and enlargement of knowledge. To maintain this freedom and openness requires objectivity, mutual trust, and confidence; it requires the absence of coercion, intimidation, or exploitation. The principal responsibility for maintaining these conditions must rest upon those members of the university community who exercise most authority and leadership: faculty, managers, and supervisors.

The university has therefore instituted a number of measures designed to protect its community from sex discrimination, sexual harassment, sexual violence, and other related prohibited conduct. [Information about the Title IX Office](#), the online reporting page, applicable campus resources, reporting responsibilities, the [UC Policy on Sexual Violence and Sexual Harassment](#), and the UC Santa Cruz Procedures for Reporting and Responding to Reports of Sexual Violence and Sexual Harassment can be found at titleix.ucsc.edu.

The Title IX Office is actively responding to reports and requests for consultation. If you are not currently working with someone in the office and want to make a report/request a consult, you can expect the fastest response by using our online reporting link.

STUDENT SERVICES

[Counseling and Psychological Services](#)

Many students at UCSC face personal challenges or have psychological needs that may interfere with their academic progress, social development, or emotional wellbeing. The university offers a variety of confidential services to help you through difficult times, including individual and group counseling, crisis intervention, consultations, online chats, and mental health screenings. These services are provided by staff who welcome all students and embrace a philosophy respectful of clients' cultural and religious backgrounds, and sensitive to differences in race, ability, gender identity and sexual orientation.

[Student Success and Engagement Hub](#)

The Division of Student Success provides campus-wide coordination and leadership for student success programs and activities across departments, divisions, the colleges, and administrative units.

Tutoring and Learning Support

At Learning Support Services (LSS), undergraduate students build a strong foundation for success and cultivate a sense of belonging in our Community of Learners. LSS partners with faculty and staff to advance educational equity by designing inclusive learning environments in Modified Supplemental Instruction, Small Group Tutoring, and Writing Support. When students fully engage in our programs, they gain transformative experiences that empower them at the university and beyond.

Slug Support Program

College can be a challenging time for students and during times of stress it is not always easy to find the help you need. Slug Support can give help with everything from basic needs (housing, food, or financial insecurity) to getting the technology you need during remote instruction. To get started with SLUG Support, please contact the Dean of Students Office at 831-459-4446 or you may send us an email at deanofstudents@ucsc.edu.

Slug Help/Technology

The ITS Support Center is your single point of contact for all issues, problems or questions related to technology services and computing at UC Santa Cruz. To get technological help, simply email help@ucsc.edu.

On-Campus Emergency Contacts

Slug Help/Emergency Services. For all other help and support, including the health center and emergency services, start here. Always dial 9-1-1 in the case of an emergency.