

### COURSE INFORMATION

Course title:	Managerial Economics	Credits:	3
Course code:	COMM/FRE 295	Class location:	Zoom – see Canvas for link
Session and term:	2020W1	Class times:	Section 101: MW 10:00—11:30 Section 102: MW 11:30—1:00
Section(s):	COMM 295 (101 and 102) FRE 295 (102)		
Course duration:	Sept 8 – Dec 3		
Division:	Strategy and Business Economics	Pre-requisites:	2 <sup>nd</sup> year standing

### INSTRUCTOR INFORMATION

Instructor:	James Vercammen, Ph.D.
Email:	<a href="mailto:james.vercammen@sauder.ubc.ca">james.vercammen@sauder.ubc.ca</a>
Office hours:	Tues 10:00am—11:30pm Thurs 2:00pm – 3:00 pm or by appointment ( <a href="https://ubc.zoom.us/j/68019730591">https://ubc.zoom.us/j/68019730591</a> pw 163355)

### UGO SUPPORT AND TEACHING ASSISTANTS

1. UGO Support (for admin issues such as A&D concessions): Stella Lee ([stella.lee@sauder.ubc.ca](mailto:stella.lee@sauder.ubc.ca))
2. Teaching Assistant (TA) Office Hours: The TA office hours schedule will be posted on Canvas. Students from any section can go to office hours for any TA. TA office hours will be held in their Zoom offices.
3. TA email support: Students can send questions to a TA by email but **please send email questions only to the email support TA for your section.**

Section 101: Lavish Ramrakhani – [lavishramrakhani23@gmail.com](mailto:lavishramrakhani23@gmail.com)

Section 102: Zhoutao Shao – [shaozhoutao1@163.com](mailto:shaozhoutao1@163.com)

### COURSE DESCRIPTION

Managerial Economics covers the economic foundations of managerial decision-making. Topics include supply and demand, empirical methods, organization and objectives of business enterprises, competition and monopoly, pricing with market power, oligopoly, game theory, uncertainty and information, agency relationships, behavioral economics, and market failure.

### ZOOM INFO

We will use Zoom to have our classes during the scheduled class times. We will not be using Zoom breakout rooms, and we will use something other than Zoom Poll to track grades for class polls (details to follow). This means that you can attend class anonymously provided you have the meeting ID and password. Most of you will choose to set up a Zoom account and use it to attend class by using the Zoom link in Canvas. As a way to protect your privacy, some of you will choose to sign up with Zoom using an alternative email address and an anonymized name that does not identify you (e.g., Jane Doe, [jane.doe@email.com](mailto:jane.doe@email.com)). If you do this keep in mind that I will refer to you with the name you signed up with during our class discussions (“Hi Jane, can you answer my question!”). If you have trouble creating an account, or accessing a Zoom session, please contact [CLCHelp@sauder.ubc.ca](mailto:CLCHelp@sauder.ubc.ca).

To help replicate the classroom experience, make sessions more dynamic and hold each person accountable, both students and instructors are asked to have their cameras on during Zoom sessions.

This is the desired norm for the Sauder undergraduate program as it will provide you the best learning experience. Students who require an accommodation with regard to the “camera on” requirement must contact their instructors to discuss options. Students are expected to conduct themselves professionally by joining sessions on time, muting mics when not speaking, refraining from using any other technology when in-session, attending in attire you would normally wear to school, and participating from a quiet environment. Content from synchronous sessions will be selectively recorded per instructor discretion and made available to students on Canvas for a maximum duration of the course length. This is done to allow students the opportunity to return to lecture content to solidify learnings.

This course is primarily a lecture course although in-class activities such as graded poll questions and class discussion are important parts of the course.

### 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, including pricing decisions and competitive strategy decisions. Students should also be able to describe, interpret, and analyze economic issues reported in the business media. In carrying out economic analysis, students should be comfortable using diagrams, a variety of statistical and other mathematical techniques, and spreadsheets, in addition to verbal logic.

### ASSESSMENTS

#### Summary

<u>Component</u>	<u>Weight</u>
Weekly online homework using Pearson MyLab	5%
Online Assignments	
#1 Released Tues. Sept 22, due Tues Oct. 6	5%
#2 Released Tues. Nov. 10, due Tues Nov. 24	5%
Midterm exam, Saturday, Oct. 17, 7 – 9pm	35%
Final exam (day TBD)	40%
Class participation (mostly class polls)	<u>10%</u>
Total	<u>100%</u>

To do the weekly on-line homework you will need to register in MyLab. There are instructions on the course Canvas website and a link that you can use to access MyLab. However, you will need an individual access code that you obtain when you purchase the on-line version of the textbook. You will also need the course ID, which is **vercammen12432**.

### TIME ZONE ISSUES

We will not be offering multiple exam sittings for students to complete the midterm exam; however, students in time zones 0 to +4 (relative to GMT) may opt to write the midterm exam at 9PM Vancouver time (instead of 7 pm) to avoid an excessively early start. If this situation applies to you and I have not already contacted you to confirm your eligibility then please email me by the end of September.

Some students may be located in a time zone not conducive to attending live sessions. For these students, the participation grade will be reduced to 5% and based on students watching recordings of the lectures (details to follow). The remaining 5% will be distributed to the midterm (2%) and final exam

(3%). If this situation applies to you and I have not already contacted you to confirm your eligibility then please email me by the end of September.

### LEARNING MATERIALS

Required: **Managerial Economics and Strategy, third edition**, by Jeffrey Perloff and James Brander, on-line version, published by Pearson. The ISBN is 9780134899701. The on-line version provides access to Pearson's MyLab and the Pearson eText. Estimated cost: \$95 if purchased through the UBC bookstore.

Please obtain this (on-line) version of the textbook. There are hardcopy versions of earlier editions available, but they are not an adequate substitute for the current (3<sup>rd</sup> edition) online version. No hard copy is necessary, but some students find it helpful to have one. Once you purchase the online version, if you want a hard copy, you can print out pages as needed or you can order an inexpensive loose-leaf version.

### POLICIES APPLICABLE TO UBC SAUDER UNDERGRADUATE COURSES

#### *Respectfulness in the classroom*

Students are expected to be respectful of their colleagues at all times, including faculty, staff and peers. This means being attentive and conscious of words and actions and their impact on others, listening to people with an open mind, treating all UBC Sauder community members equally and understanding diversity. Students who act disrespectfully toward others will be asked to leave the class and be marked as absent for the day.

#### *Respect for Equity, Diversity, and Inclusion*

The UBC Sauder School of Business strives to promote an intellectual community that is enhanced by diversity along various dimensions including status as a First Nation, Metis, Inuit, or Indigenous person, race, ethnicity, gender identity, sexual orientation, religion, political beliefs, social class, and/or disability. It is critical that students from diverse backgrounds and perspectives be valued in and well-served by their courses. Furthermore, the diversity that students bring to the classroom should be viewed as a resource, benefit, and source of strength for your learning experience. It is expected that all students and members of our community conduct themselves with empathy and respect for others.

#### *Electronic Devices*

During online lectures, students are not permitted to use any electronic devices other than the primary one used for attending the online lecture (e.g. laptop or desktop). Only Zoom and a note-taking application should be open during the online lecture unless an instructor advises the use of another device or application for an in-class activity (e.g., a phone for answering non-Zoom poll questions). Feedback from students indicates that personal devices is the number one distraction from effective learning and participation in the online learning environment.

### COURSE-SPECIFIC POLICIES AND RESOURCES

#### *Canvas and Course Notes*

Assignments will be posted on Canvas. Class notes will be posted the day before each class. Old exams (with answers) and some other materials will also be posted on Canvas.

#### *Academic Concessions for Missed Assignments and Exam Conflicts*

Students sometimes seek "academic concessions" if they are unable to complete assignments on time or are unable to do exams at the scheduled time. Other problems may also sometimes justify academic

concessions. UBC policy regarding academic concessions is described in Senate [Policy V-135](#), including a full listing of valid reasons for academic concessions and explanations of them.

If you have a valid reason for an academic concession we provide an “accommodation”. If you provide advance notification, we may be able to allow some flexibility in when your assignment is due or in when you do the exam. However, the most common accommodation for timing problems or missed assignments or midterms is to shift the weight on the missed item to other comparable components of the course. In the case of final exams, we cannot shift the weight to other course components and it is usually necessary for the student to do a deferred or supplemental exam in accordance with UBC policy. We do not normally allow “make-up exams” or “make-up assignments” or “extra work” to substitute for missed exams or assignments.

The most common reasons for academic concessions relate to illness, family emergency, or conflicting obligations, including participation in UBC sports teams and certain other UBC activities. Please contact the UGO support person, Stella Lee ([stella.lee@sauder.ubc.ca](mailto:stella.lee@sauder.ubc.ca)), if you are seeking an academic concession. They will verify your request and get in touch with me.

#### *Regrading of assignments and exams*

As we use online assignments and exams, most grading in this course is automated online grading. However, some of the grading is subjective (done by instructors or teaching assistants using an on-line interface). If you believe there is an error in grading you should start by reviewing the posted answer guide. If you still think there is an error, please let me know with a reasonably detailed e-mail statement of the problem and I will review the grading for all subjective elements on the assignment or exam in question. The time limit on such requests is 3 business days after the answers are posted.

#### *Class Polls*

In each class there are poll questions that contribute to the term mark. Correct answers are given in class but are not posted. To get the correct answers you should attend class. There will be approximately 75 poll questions throughout the semester, which means that each correctly answered question is worth about 0.133 points and each incorrectly answered questions is worth about 0.065 points toward your final grade. This means that missing a lecture results in an expected loss of 0.3 to 0.4 points. Because of this small loss and because I want students to attend my lectures, I typically do not offer concessions for students who miss lectures and thus poll points. The one exception is when I am contacted by the Undergraduate Office with the request to grant a concession (see above). In this case, I will calculate the participation score using a smaller number of total polls (e.g., X/70 instead of X/75).

#### **UNIVERSITY POLICIES AND RESOURCES**

UBC provides resources to support student learning and to maintain healthy lifestyles but recognizes that sometimes crises arise and so there are additional resources to access including those for survivors of sexual violence. UBC values respect for the person and ideas of all members of the academic community. Harassment and discrimination are not tolerated nor is suppression of academic freedom. UBC provides appropriate accommodation for students with disabilities and for religious observances. UBC values academic honesty and students are expected to acknowledge the ideas generated by others and to uphold the highest academic standards in all of their actions. Details of the policies and how to access support are available on the UBC Senate website at <https://senate.ubc.ca/policies-resources-support-student-success>.

During this pandemic, the shift to online learning has greatly altered teaching and studying at UBC, including changes to health and safety considerations. Keep in mind that some UBC courses might cover topics that are censored or considered illegal by non-Canadian governments. This may include, but is not limited to, human rights, representative government, defamation, obscenity, gender or sexuality, and historical or current geopolitical controversies. If you are a student living abroad, you will be subject to the laws of your local jurisdiction, and your local authorities might limit your access to course material or take punitive action against you. UBC is strongly committed to academic freedom, but has no control over foreign authorities (please visit <http://www.calendar.ubc.ca/vancouver/index.cfm?tree=3,33,86,0> for an articulation of the values of the University conveyed in the Senate Statement on Academic Freedom). Thus, we recognize that students will have legitimate reason to exercise caution in studying certain subjects. If you have concerns regarding your personal situation, consider postponing taking a course with manifest risks, until you are back on campus or reach out to your academic advisor to find substitute courses. For further information and support, please visit: <http://academic.ubc.ca/support-resources/freedom-expression>.

### *Academic Integrity*

The academic enterprise is founded on honesty, civility, and integrity. As members of this enterprise, all students are expected to know, understand, and follow the university policies and codes of conduct regarding academic integrity. At the most basic level, this means submitting only original work done by you and acknowledging all sources of information or ideas and attributing them to others as required. This also means you should not cheat, copy, or mislead others about what is your work; nor should you help others to do the same. For example, it is prohibited to: share your past assignments and answers with other students; work with other students on an assignment when an instructor has not expressly given permission; or spread information through word of mouth, social media, or other channels that subverts the fair evaluation of a class exercise, or assessment. Violations of academic integrity (i.e., misconduct) lead to the breakdown of the academic enterprise, and therefore serious consequences arise and harsh sanctions are imposed. For example, incidences of plagiarism or cheating may result in a mark of zero on the assignment or exam and more serious consequences may apply if the matter is referred to the President's Advisory Committee on Student Discipline. Careful records are kept in order to monitor and prevent recurrences.

### **COPYRIGHT**

All materials of this course (course handouts, lecture slides, assessments, course readings, etc.) are the intellectual property of the instructor or licensed to be used in this course by the copyright owner. Redistribution of these materials by any means without permission of the copyright holder(s) constitutes a breach of copyright and may lead to academic discipline and could be subject to legal action. Audio or video recording of classes are not permitted without the prior approval of the Instructor. Any lecture recordings are for the sole use of the instructor and students enrolled in the class. **In no case may the lecture recording or part of the recording be used by students for any other purpose, either personal or commercial.** Further, audio or video recording of classes are not permitted without the prior consent of the instructor.

### **ACKNOWLEDGEMENT**

UBC's Point Grey Campus is located on the traditional, ancestral, and unceded territory of the xwməθkwəyəm (Musqueam) people, who for millennia have passed on their culture, history, and traditions from one generation to the next on this site.

**COURSE SCHEDULE**

This schedule is a plan, not an absolute commitment. It is possible that some topics might be covered slightly later or slightly earlier than the schedule indicates.

Class	Day	Date	Topic	Reading*
1	Wed	Sep. 9	Intro, Supply & Demand, Elasticity	1.1-1.3, 2.1-2.4, 2.6, 3.1
2	Mon	Sep. 14	Production and Cost	5.1, 5.2, 5.4, 6.1, 6.2
3	Wed	Sep. 16	Estimation I	3.2
4	Mon	Sep. 21	Estimation II	3.3, 3.4
5	Wed	Sep. 23	Business Organizations and Objectives	7.1-7.3
6	Mon	Sep. 28	Competition, Consumer Surplus	8.1,8.2
7	Wed	Sep. 30	The Invisible Hand, Monopoly	8.4, 9.1-9.4, 9.6
8	Mon	Oct. 5	Pricing I	10.1-10.3
9	Wed	Oct. 7	Pricing II	10.4, 10.5
	<b>Mon</b>	<b>Oct. 12</b>	<b>THANKSGIVING – No Class</b>	
10	Wed	Oct. 14	Pricing III	10.6, 10.7
	<b>Sat</b>	<b>Oct. 17</b>	<b>MIDTERM EXAM 7:00 – 9:00pm</b>	
11	Mon	Oct. 19	Oligopoly I	11.1, 11.2
12	Wed	Oct. 21	Oligopoly II	11.3, 11.4
13	Mon	Oct. 26	Static Games	12.1-12.3
14	Wed	Oct. 28	Dynamic Games	13.1, 13.2
15	Mon	Nov. 2	Entry Deterrence, Hold-Up	13.3-13.5
16	Wed	Nov. 4	Behavioral Game Theory	13.6
17	Mon	Nov. 9	Uncertainty I	14.1, 14.2
	<b>Wed</b>	<b>Nov. 11</b>	<b>REMEMBRANCE DAY – No Class</b>	
18	Mon	Nov. 16	Uncertainty II	14.3, 14.5
19	Wed	Nov. 18	Information and Adverse Selection	15.1, 15.2
20	Mon	Nov. 23	Moral Hazard and Agency	15.3
21	Wed	Nov. 25	Contracts and Monitoring	15.4, 15.5
22	Mon	Nov. 30	Market Failure, Review	16.1, 16.4
	Wed	Dec. 2	Research Showcase Lecture	Posted readings
	TBA	TBA	Final Exam (comprehensive)	

\*The readings refer to chapter and section numbers in the textbook. It is possible that some subsections within a specified section will not be required. If so, I will put that information in the class notes and will announce it in class.