

Mercer University

Stetson School of Business and Economics

FALL 2007
Stetson Hall Room 241

BAM 606.032: Applied Microeconomic Analysis
Monday 5PM – 7:40PM

SEAN MULHOLLAND
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The Stetson School of Business and Economics (SSBE) promotes the advancement and integration of quality business education and practice. In support of Mercer University’s mission, the School provides undergraduate and graduate programs that are designed to enable, enhance, and expand professional careers, civic responsibility, and lifelong learning.

Text: Richard B. McKenzie and Dwight R. Lee. *Microeconomics for MBAs: The Economic Way of Thinking for Managers*

Course Description: A survey of economic tools and analysis available to the manager for business decision-making.

Objectives: Microeconomics is the foundation of all economic analysis. The purpose of this course is to develop an economic perspective that will be appropriate for the MBA program and for general business situations. This course will present the basic postulates of microeconomics and illustrate the widespread implications of these postulates when we examine real world situations. In the end, successful completion of this course will enhance your understanding of the way economists think and talk: to learn to think in a manner consistent with the existence of scarcity. More formally, we will:

1. Develop tools for useful business decision-making;
2. Conduct a detailed examination of price theory and consumer choice;
3. Examine market structure and performance;
4. Discuss the welfare properties of different market outcomes;
5. Consider business problems from an economic perspective.

Prerequisites: Principles of Microeconomics (ECN 150 or equivalent knowledge)

Office Hours: You are encouraged to ask questions during and after class. If you want to speak with me at length or need assistance, I am available in my office (Stetson Hall 232) during my office hours (M: 7:40-8:15PM & T: 2-3:30PM) and by appointment. Set up an appointment by calling (478.301.2836) or emailing (preferred) me. I will work around your schedule.

Celebrations of Learning: There will be two in-term Celebration of Learning and one Ultimate Celebration of Learning. The weights are as follows:

CELEBRATIONS OF LEARNING WEIGHTS:

Celebration of Learning Number 1	30%
Celebration of Learning Number 2	30%
Ultimate Celebration of Learning	40%

Celebrations of Learning: These Celebrations will consist of multiple-choice, short answer, and essay questions. The Mid-Term Celebration will be a take home. The Ultimate Celebration will be cumulative and comprehensive, with emphasis placed on the material presented after the previous Celebration.

Grading: Academic regulations and procedures as found in the *Mercer University Catalog* govern all grading and academic policies. Because each class and assignment is unique, the grading scale may vary. Below is a rough idea of the expected scale:

85 - 100 = As 70 – 84 = Bs 55 – 69 = Cs 45 – 54 = Ds < 45 = Fs

The top five-point portion of each letter grade interval (three-point for Ds) will be given a plus. The actual grading scale will be determined at the end of the semester.

Grade Appeals: Any course grade dispute must be initiated in accordance with University and School policies.

Attendance: If I plan to give a worthless lecture, I will cancel class. Attendance is not required, though highly recommended. If you are consistently absent from class without sufficient reason, you sacrifice your office hours privileges. Initially, I will take role as an inexpensive way to learn your names. If I am late, please wait 10 minutes before leaving the classroom. Please switch all phones and pagers to vibrate. If you are late, minimize your disturbance.

Students with Disabilities: As a Faculty member at Mercer University I will make every reasonable effort to accommodate the unique and special needs of students with respect to speech, hearing, vision, seating, or other possible disabilities. Students with a documented disability should inform me at the close of the first class meeting. I will refer you to the office of Student Support Services (SSS) for consultation regarding evaluation, documentation of your disability, and recommendations for accommodation, if needed. Students will receive from SSS the *Faculty Accommodation Form*. On this form SSS will identify reasonable accommodations for this class. The form must be signed by me and then returned to SSS. To take full advantage of disability services, it is recommended that students contact the Office of Student Support Services, immediately. The office is located on the third floor of the Connell Student Center. For further information please contact Carole Burrowbridge, Disability Services Coordinator, at 301-2778 or visit the website at http://www.mercer.edu/stu_support/swd.htm.

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Academic Integrity: Academic dishonesty will be treated per the stated regulations. All suspected violations of the University Honor Code will be forwarded to the Honor Council. It is your responsibility to ensure that you are not in conflict with the stated regulations.

I reserve the right to make adjustments to the syllabus at any time during the course.

NOTE 1: All chapter numbers refer to Chapters in McKenzie and Lee.

NOTE 2: Reading assignments may be changed at any time. I will announce any changes in class or via email.

NOTE 3: Celebration of Learning dates are shown in boldface, thus: **Sep. 17, Nov. 5, and Dec. 10**

Week	Readings	Topics
20-Aug	1, 2, (p175-189), (p279-283)	Competitive product markets and firm decisions Supply; Demand: Equilibrium; Price Ceilings and Floors
27-Aug	2,3	Principles of rational behavior in society and business The CapT Problem
3-Sep		LABOR DAY (NO CLASS)
10-Sep	4	The logic of group behavior in business and elsewhere Games Workers Play; Optimal Shirking
17-Sep	All To Date	CELEBRATION #1
24-Sep	5	Government controls: how management incentives are affected Moral Hazard; Adverse Selection
1-Oct	6	Reasons for firms and incentives Fringe benefits, incentives, and profits
8-Oct	7	Consumer choice and demand in traditional and network markets Elasticity; Indifference Curves, Budget Constraints
15-Oct	8	Production costs and business decisions
22-Oct	9	Production costs in the short run and long run Isoquant and Isocost curves
29-Oct	10	Firm production under idealized competitive conditions
5-Nov	All To Date	CELEBRATION #2
12-Nov	11	Monopoly power and firm pricing decisions
19-Nov		SOUTHERN ECONOMIC ASSOCIATION MEETINGS (No Class)
26-Nov	12	Firm strategy under imperfectly competitive market conditions Monopolistic Competition, Cartels
3-Dec	13	Competitive and Monopsonistic labor markets Review for Ultimate Celebration of Learning
10-Dec	All To Date	ULTIMATE CELEBRATION OF LEARNING