

Instructor: Aidin Hajikhameneh
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Office Hours: Monday, 1:30pm-2:30pm; and by appointment
Class Days/Time: Monday and Wednesday, 12:00-1:15pm.
Classroom: DMH 161
Prerequisites: ECON 1B

1 Course Description

1.1 Catalog Description

Applications of economic analysis to practical problems in the private and public sector. Demand and cost analysis, market structure, statistical estimation, and forecasting; case studies.

1.2 Additional Description

This course covers some extended topics in economic and business decision making. Specifically, we will put emphasis on the following aspects of managerial decisions and firms' behavior:

1. Examine price theory
2. Examine various market structures
3. Game Theory: we will have a closer look at how two or more rational agents (that is, individuals, firms, and etc.) engage in transactions and/or make decisions that will affect each other's utility, profit, or welfare (*time permitting*).

Note: A solid grasp of logic, graphical methods, maximization / minimization techniques, and partial derivatives is essential. Class lectures, homework, and exams will make regular use of algebra and calculus since most economic concepts lend themselves to mathematical expression. If the student becomes lost or is unfamiliar with some of the economic concepts or mathematical techniques early in the class, the student should let the instructor know as soon as possible.

2 Course Learning Outcomes and Program Learning Objectives

To develop and apply knowledge and understanding of the workings of governments and markets. This course fits into the following Department of Economics program learning objectives (PLO).

- PLO 1: Microeconomics
- PLO 4: Specialist Area (Policy Economics, Quantitative Methods)
- PLO 5: Communication

Upon successful completion of this course, students should be able to demonstrate the following:

- CLO 1: Explain the relationship and relevance of separate kinds of costs in decision making.
- CLO 2: Explain how managers estimate demand and supply relationships and apply those estimates in common business contexts.
- CLO 3: Apply economic analysis to pricing strategy issues and understand the broader socio-economic context of pricing decisions.

3 Required Texts/Readings

3.1 Primary Textbook (Required)

- "Managerial Economics", (8th Edition) by William F. Samuelson and Stephen G. Marks.

If you choose to use an older version of the text, it is your responsibility to account for any differences in assigned readings and homework problems.

3.2 Other Readings (Not Required)

- "Intermediate Microeconomics: A Modern Approach" by Hal Varian is the textbook if you want a refresher on microeconomics.
- Essential Mathematics for Economic Analysis, 5th Edition, by Knut Sydsaeter, Peter Hammond and Arne Strom is the textbook if you want a refresher on mathematical economics.

4 Assignments and Grading Policy

Grades for this course are composed of four homeworks, a midterm, and a final exam. The grading rubric and a description of each component is provided below:

Grade Breakdown:

- Homeworks 40% (10% each)
- Midterm Exam 25%
- Final Exam 35%

4.1 Homework

There will be 4 homework assignments. Each is worth 10% of the final grade. Take the homework assignments seriously. Students often learn more from carefully thinking through the homework questions than taking exams. Homeworks should be *typed* using a tool such as Microsoft Word or L^AT_EX. All homeworks is due at the beginning of class and no late homework will be accepted.

4.2 Midterm and Final Exam

There will be two exams: a midterm and final. All exams are cumulative. Exams will be composed of short answer, essay, and problem-solving questions. The best way to prepare is to review all homework assignments, study all of the readings, and practice with some of the questions out of the primary textbook.

4.3 Grading Criterion

Your grade is determined at the end of the semester based on your performance on homework assignments (40%) and two exams (60%). Grades will be curved in the end of semester as needed. Letter grades will be determined as follows:

| Category | Letter Grade | Numerical Grade |
|----------|----------------|-----------------|
| A | A ⁺ | 97-100 |
| | A | 93-96 |
| | A ⁻ | 90-92 |
| B | B ⁺ | 87-89 |
| | B | 83-86 |
| | B ⁻ | 80-82 |
| C | C ⁺ | 77-79 |
| | C | 73-76 |
| | C ⁻ | 70-72 |
| D | D ⁺ | 67-69 |
| | D | 63-66 |
| | D ⁻ | 60-62 |
| F | F | Below 60 |

Table 1: Grading Criteria.

5 Classroom Protocol

- Try to arrive on time.
- Silence your cell phones.
- Take advantage of time in the classroom! Ask questions.
- Note the specific due dates for homework assignments.

6 University Policies

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs' [Syllabus Information web page](#).

7 Econ 106 Course Schedule and Readings

| Week | Date | Topics & Readings | Due |
|------------|--------------|--|------|
| 1 | 1/28, 1/30 | Overview of the course. Economic Decision Making (S&M Ch. 1 and 2) | |
| 2 | 2/4, 2/6 | Optimal Decisions Using Marginal Analysis (S&M Ch. 2) | |
| 3 | 2/11, 2/13 | Demand Analysis and Optimal Pricing (S&M Ch. 3) | |
| 4 | 2/18, 2/20* | Demand Analysis and Optimal Pricing (cont.) and Production (S&M Ch. 3 and 5) | *HW1 |
| 5 | 2/25, 2/27 | Production (cont.) (S&M Ch. 5) | |
| 6 | 3/4, 3/6 | No class this week. Instructor is traveling. | |
| 7 | 3/11, 3/13* | Cost Analysis (S&M Ch. 6) | *HW2 |
| 8 | 3/18, 3/20** | Review and **Midterm | |
| 9 | 3/25, 3/27 | Cost Analysis (cont.) (S&M Ch. 6) | |
| 10 | 4/1, 4/3 | SPRING RECESS | |
| 11 | 4/8, 4/10 | Perfect Competition (S&M Ch. 7) | |
| 12 | 4/15, 4/17 | Monopoly and Oligopoly (S&M Ch. 8 and 9) | |
| 13 | 4/22, 4/24* | Oligopoly (cont.) (S&M Ch. 9) | *HW3 |
| 14 | 4/29, 5/1 | Game Theory and Competitive Strategy (<i>time permitting</i>) (S&M Ch. 10) | |
| 15 | 5/6, 5/8 | Game Theory and Competitive Strategy (<i>time permitting</i>) (cont.) (S&M Ch. 10) | |
| 16 | 5/13* | Review | *HW4 |
| Final Exam | 5/17 | 9:45am-12:00pm. | |

Table 2: **Spring 2019: Course Schedule.**