

DePaul University
Kellstadt Graduate School of Business

ECO 555: Economics of Decision Making
Spring 2020

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N.B. This syllabus is a living document. As the quarter progresses, we may need to adjust some parts of it to keep the course running smoothly and in a way that is manageable for all. This is uncharted territory for all of us and there is uncertainty and stress but I know we will have an excellent quarter together. I am committed to giving you the best possible learning experience and to challenging you to think in new ways.

General Objective

To learn the economic way of thinking and be able to apply economic frameworks to decision-making in the business world.

Course Description

In this class, we will learn fundamental economic tools and models for decision-making. The economic approach provides an excellent foundation for business decisions because it is based on solid principles and careful evaluation of costs and benefits associated with different actions. In class we will learn the economic frameworks and models, then apply them to the real world through examples and short case studies. I will ask you to think of and provide some examples as part of our online discussions. This approach will help hone your decision-making skills because it provides a good theoretical foundation within which to think about decision-making, and then allows the theory to come to life (or not) through examples and cases.

Prerequisites

This is an intermediate level class which uses some math and lots of graphs. The material from GSB 420 is more than enough for this purpose.

Office Hours:

Office hours for this online course will be conducted in two ways.

1. By appointment at a mutually convenient date and time. Please email me to make an appointment. I am responsive to email and will reply the same day.
2. Every week I will host a live Zoom office hour for anyone who wants to join the session and ask questions, chat, get to know each other in a synchronous way. There is absolutely no requirement to join the office hour. Zoom office hour will be Wednesday 6-7 pm. I will post the recurring link on the D2L announcements page.

Grading

Your grade will be determined by the following components and weights:

Case reports (group grade)	35%
Discussions (individual grade)	25%
Midterm Exam (individual grade)	20%
Final Exam (individual grade)	20%

The grading scale in this course is

A	93% and above	C	73-76%
A-	90-92%	C-	70-72%
B+	87-89%	D+	67-69%
B	83-86%	D	60-66%
B-	80-82%	F	59% and below
C+	77-79%		

All deliverables will be graded within one week or less of their due dates and grades will be kept updated on D2L. On occasion, you may want to question your grade on a case report or exam, or ask for clarification or interpretation of a grade. You are most welcome to do so within *ten business days* of your grade being posted on D2L. After ten business days, I will consider any issues closed.

Course Format

This course will be taught entirely online in an asynchronous format. You do not have to be online at any specific time. You can work through each week's material at your own pace but keep in mind that there will be weekly deadlines for discussion posts and assignments. I will post new weekly content on the first day of each week.

Please make sure to have the necessary technical resources to be able to access course materials and complete assignments. If you do not have access to the following resources, please let me know immediately so I can make accommodations for you:

- A computer that is connected to the internet
- A working email account that you check regularly (updated in campus connect)
- Access to Microsoft Office suite or similar package
- The ability to view video files.

Course Materials

1. Text: *Microeconomics, 1st. or 2nd. ed.*, B. Douglas Bernheim and Michael Whinston, McGraw Hill, 2007/2013. Find an older/used edition online so you do not spend much money on the text. I do not teach out of the book explicitly but have noted the chapters that correspond to the lecture topics in the outline below.
2. Lecture slides and Video lectures posted on D2L. I will make the slides available to you as separate files in addition to the video lectures.
3. Required Cases, assignments, and non-text readings posted on D2L each week. I will also create a separate heading for supplemental readings that will not be required, but that you may find interesting.

Case Reports

There are four required case reports and one optional case report. You will work in groups of two students on the case reports. Working in small groups is realistic to the state of work in the real world and will also allow you to learn more from the cases because each member may glean different insights and find different connections between the course content and the case.

Group formation: There is a class roster available on D2L under Class list. If you know someone in the class or would like to work with someone in the class, please reach out to that person using the D2L class list feature and inform me via email by April 8. If you do not have a partner by April 8, I will match you with a partner. The first case report is due April 15.

Reports are based on questions I post on D2L. Reports, in WRD or PDF format, are due in the D2L Submissions box by 11:59 pm CDT on the date noted in the course outline below.

Only one person should submit the report for the group. Put all group members names on the report.

The optional fifth case can be used to replace a low report grade and you may work on the report alone if your partner does not want to do it.

We are very fortunate to have an outstanding and experienced grader for the case reports. Samantha (Thornton) Kreft is completing her MS in Economics at DePaul this term. She worked at Fitch Ratings and will begin an exciting new position at Ankura Consulting in Chicago. Sam and I have worked together for three years. She provides thorough and thoughtful feedback on case reports. You can contact Sam through the D2L classlist.

Case Report Grading: Case reports are graded on a 10 point scale based on their content, organization, and writing:

Content:

- analysis applies concepts and frameworks from class to the case
- addresses questions thoughtfully and analytically
- any points that are made are backed up by evidence
- analysis is positive economic analysis (not normative, not emotional)
- **Does not re-teach material from class**
- economic concepts and terminology are used correctly

Organization:

- report is logically organized and easy to follow

Writing:

- report uses primarily active voice

Exams

Both the midterm and final exams are written “take home” exams. You will have one week to work on the exams. Though it is not comprehensive, the final exam may include questions that build upon material from the first half of the course.

Discussions

There will be weekly online discussions in the discussion boards. I will post two main types of questions for discussion each week: (i) case/reading questions and/or (ii) questions based on the lectures and video content. You are required to make two discussion posts each week –early in the week to post your comment/response to a topic, and later in the week to read and reply to comments others have made.

Discussion Post Standards and Etiquette

Characteristics of good (A grade) discussion posts:

1. Timely— Adhere to the time window set aside for the discussion
2. On message
3. Respectful --even when there is strong disagreement.
4. Stimulate thinking
5. Are grounded in evidence, examples, and/or course material
6. Encourage others to provide evidence, examples, and/or refer to course concepts
7. Move the class understanding forward.
8. Do not ramble

Discussion posts that simply state “I agree” Or “I was going to say the same thing” are not actually discussion posts and will not be credited as such.

You may not write in all caps – that is yelling. If you want to emphasize a word or phrase you may write it in italics, underline it, or put an asterisk before and after the word or phrase.

Discussions Grading: I will monitor and actively participate in the discussion boards. I will keep track of the frequency and quality of your comments. I will also give you the opportunity periodically to submit a small portfolio of your best comments and posts.

Course Organization:

The learning unit in this course is the week. Each quarter has 10 instructional weeks. In order to avoid bottlenecks of due dates with respect to your other classes, we will follow a weekly schedule that begins on Wednesday. I will post new lecture videos and discussion questions on Wednesdays.

Week	Start Date /cases, exams
1	April 1
2	April 8
3	April 15 case report due
4	April 22 case report due
5	April 29 exam distributed
6	May 6 exam due
7	May 13 case report due
8	May 20 case report due
9	May 27 optional case due
10	June 3 exam distributed
11	June 10 exam due

Academic Integrity

I adhere to DePaul University's Academic Integrity Policy. All work completed for this course must adhere to the University Academic Integrity Policy which you can review at <http://academicintegrity.depaul.edu>.

I may use Turn-it-In plagiarism detection technology for all written work submitted for this class to ensure the work is the student's own creation and not a violation of DePaul University's Academic Integrity Policy. By submitting work for this course you (i) a pledge that the work is your own original work and (ii) consent to have the work submitted to verify that fact.

You are welcome to use outside sources for exams, discussion posts, and case reports. If you use any material beyond the text, slides, and videos you must cite your source.

Accommodations

Students who feel they may need an accommodation based on the impact of a disability should contact me privately to discuss their specific needs. All discussions will remain confidential.

To insure that you receive the most appropriate accommodation based on your needs, contact me as soon as possible in the quarter (preferably the first week of class) and make sure that you have contacted one of the following:

Office for Students with Disabilities

<http://studentaffairs.depaul.edu/studentswithdisabilities/>

osd@depaul.edu

Lincoln Park: Student Center 370, (773)325-1677

Loop: Lewis Center 1420. (312)362-8002.

Outline of Topics and due dates

We will follow the below schedule to the extent possible. I will announce any changes via email to the class and on the announcements page of D2L well in advance. The book chapters are listed as a reference so you know what chapters correspond to the lecture topics. You are not required to read the text.

Week	Content and Due Dates for Deliverables
#1 April 1	<p><u>Topics:</u> -Introduction -Start Demand</p> <p><u>Bernheim and Whinston (B&W) Chapters : 1, parts of 2</u></p> <p><u>** Due: Introduction Due in Discussion Board by April 7 at 11:59 pm CDT</u></p>
#2 and #3 April 8, 15	<p><u>Topics:</u> -Supply, Demand, Market Equilibrium, Elasticities -Start Production</p> <p><u>B&W 2, 7</u></p> <p><u>April 8 mini case (no report) will be discussed in lecture video</u> -Demand Estimation of LG Air Conditioners (Bachir et. Al.)</p> <p><u>**April 15 Case report Due at 11:59 pm CDT</u> - Tourist Price Sensitivity and the Elasticity of Demand: The Case of BC Ferries (Pritchard)</p>
#4 April 22	<p><u>Topic:</u> -Production and Costs</p> <p><u>B&W 7, 8</u></p> <p><u>**April 22 Case Report Due at 11:59 pm CDT</u> -Does the New Economy Measure up to the Great Invention of the Past (Gordon)</p>
#5 and #6 April 29 May 6	<p><u>Topics:</u> -Balancing Costs and Benefits -Profit Maximization of a Competitive Firm</p> <p><u>B&W 3, 9</u></p>

	<p>**<u>April 29 Midterm Exam Posted</u></p> <p>**<u>May 6 Midterm Exam Due at 11:59 pm CDT</u></p>
<p>#7 and #8 May 13 May 20</p>	<p><u>Topic:</u> -Surplus, Market Intervention, Externalities, Monopoly</p> <p><u>B&W Ch. 6.2, 9.5, 15 and 20.1-20.3</u></p> <p>**<u>May 13 case report due at 11:59 CDT (two articles in one report)</u> "Employment Effects of Minimum Wages" (Neumark); and "The Economic Debate Over The Minimum-Explained" (Matthews)</p> <p>**<u>May 20 case report due at 11:59 pm CDT (two articles in one report)</u> "The Real Cost of Energy" (Gies), and "Externalities of Energy Generation" (WNA)</p>
<p>#9 and #10 May 27 June 3</p>	<p><u>Topic:</u> Monopoly, Natural Monopoly, Pricing Strategies</p> <p><u>B&W 17, 18</u></p> <p>**<u>May 27 Optional Case Report Due at 11:59 pm CDT</u> "The Web's New Monopolists" (Fox)</p> <p>June 3 Final Exam Posted</p>
<p>#11 final exam week</p>	<p>**<u>June 10 Final Exam Due at 11:59 pm CDT</u></p>