

DePaul University
Kellstadt Graduate School of Business
Winter 2025

Professor: Gabriella Bucci
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Mobile Phone: (708) 912-7808 (For pressing matters only please. Texting is fine.)

Optional Lab/Student Hour: Mondays 6-7 pm on zoom. This is purely optional and not required. If no students are at the session by 6:15 pm, I will assume none of you are coming and I will end the lab at 6:15 pm

Other Zoom Office Hours: By appointment

Schedule of Important Dates:

DATE	Event
Jan 13	Deadline to sign up for groups
Jan 20	Case 1 Due 11:59 pm (Tourist Price Sensitivity)
Feb 3	Case 2 Due 11:59 pm (Productivity, AI) Midterm distributed
Feb 12	Midterm Due 11:59 pm
Feb 24	Case 3 Due 11:59 pm (Externalities and Energy)
March 10	Optional Case Due 11:59 pm (Web Monopolists)
March 19	Final test due

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 and business strategy 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 case studies. 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.

Class Modality

This class is being held as an **Online Asynchronous** class which means that lectures and slides will be posted on D2L and we will not have any required class meetings.

Student Hour: I will have an optional zoom Student Hour each week during which I will review material and answer questions. It's also a great opportunity to network with your peers.

Grading

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

Case reports (group)	40%
Midterm Exam (individual)	30%
Final Exam (individual)	30%

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.

Technology Requirements

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: There is no required text for this class. However you will find the following books useful as supplements to the class lectures and slides if you wish:
 - a. *Managerial Economics and Business Strategy* by Michael R. Baye (or by Baye and Prince; it's the same book.) You do not need to the most recent edition **OR**
 - b. *Microeconomics, 1st. or 2nd. ed.*, B. Douglas Bernheim and Michael Whinston, McGraw Hill, 2007/2013.
 - c. If you want to purchase a text, find an older/used edition online so you do not spend much money on the text.
 - d. 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. I will also post annotated slides.
2. Required Cases, assignments, and non-text readings will be posted on D2L. All required cases and questions are also posted in the submission boxes for the cases.

Case Reports

There are three required case reports and one optional case report. **You will work in groups of three students on the case reports.** Working in small groups is part 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. **If you have a strong preference to work alone on all the cases, please contact me right away.**

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. Sign-up for case report groups will be on D2L. **Please go to “More → Groups” to sign up for a group.** Anyone who has not signed up for a group by the deadline will be randomly assigned to a group.

Reports are based on questions I post on D2L. Reports, in PDF format, are due in the D2L Submissions box by 11 am CDT on the due dates which are posted below, posted on the course homepage, and posted in the submissions box on D2L.

Only one person should submit the report for the group. Put all group members names on the report. If there is a group member who does not contribute to the report, you may leave that person’s name off the report and contact me. **Please be sure to**

contact me about any group problems you are not able to resolve among yourselves. If a group member is not contributing their share to the reports, I may remove that person from your group.

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

Case Report Grading Rubric: See Rubric on D2L and also here:

Case Report Grading Rubric (10 points total)

1. Use of Concepts, Terminology, and Frameworks (3 points)

- 3 points: Demonstrates comprehensive understanding of relevant class concepts, terminology, and frameworks. Applies them correctly and precisely to the case analysis.
- 2 points: Shows a good grasp of relevant concepts, terminology, and frameworks, but with minor inaccuracies or omissions in their application.
- 1 point: Limited understanding and application of relevant concepts, terminology, and frameworks.
- 0 points: Fails to incorporate or misunderstands key concepts, terminology, and frameworks.

2. Use of Examples and Evidence (2 points)

- 2 points: Effectively uses examples and evidence from to illustrate points without excessive quoting from the case.
- 1 point: Examples and evidence are present but could be more effectively integrated or balanced with the student's own analysis.
- 0 points: Relies heavily on quoting the case rather than providing original analysis supported by examples and evidence.

3. Clarity and Conciseness (2 points)

- 2 points: Presents ideas clearly and thoroughly without unnecessary reteaching of class material or definitions.
- 1 point: Some repetition of class material or definitions, but overall clarity is maintained.
- 0 points: Excessive reteaching of concepts, obscuring the analysis.

4. Positive Analysis (2 points)

- 2 points: Analysis is strictly positive (descriptive), avoiding normative statements or judgments.

- 1 point: Occasional normative statements, but the analysis remains predominantly positive.
- 0 points: Analysis is predominantly normative, lacking objective description.

5. Substantiation of Claims (1 point)

- 1 point: All claims and assertions are substantiated with evidence or reasoning.
- 0 points: Includes unsubstantiated claims or assertions lacking supporting evidence or reasoning.

Exams

Both the midterm and final exams are written exams. The tests are not timed. 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.

Course Organization:

The learning unit in this course is the week. Class material is divided up by week to help you know what material to prepare each week.

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>.

For purposes of academic integrity, all AI large language models are considered an external source and must be cited appropriately.

Plagiarism:

I 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.

All answers to exam questions are based on material in the lectures, videos and slides. If you use any material beyond the text, slides, and videos for your exams, 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 ensure 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/>

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

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

Outline of Topics

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
#1	<u>Topics:</u> -Introduction, Demand, Supply, Baye- Chapters 1 through p 13, Ch 2, Bernheim and Whinston (B&W) Chapters : 1, parts of Ch 22
#2 and #3	<u>Topics:</u> -Supply, Demand, Market Equilibrium, Elasticities - Short Run and Long Run Production <u>Baye—Chapter 3 through p 90; Chapter 5 through p 166</u> <u>B&W 2, 7</u>
#4	<u>Topic:</u> -Production Costs Baye Chapter 5 p 177 to end B&W_ 7, 8
#5 and #6	<u>Topics:</u> -Balancing Costs and Benefits -Profit Maximization of a Competitive Firm Baye Ch 7 B&W 3, 9
#7 and #8	<u>Topic:</u> -Surplus, Market Intervention, Externalities, Monopoly Baye: Ch 1 p 44-45, 51-52, 55-58; ch 14; Ch 8 B&W Ch. 6.2, 9.5, 15 and 20.1-20.3

#9	<u>Topic:</u> Monopoly, Natural Monopoly, Pricing Strategies Baye Ch 11, 9 B&W 17, 18