



# Applied Microeconomic Theory – BA 511

## Spring 2024

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### Professor Contact Information & Office Hours

<b>Instructor:</b>	Dr. Dennis P. Wilson	
<b>Office:</b>	421 Grise Hall	
<b>E-Mail:</b>	dennis.wilson@wku.edu	→ responded to as soon as possible
<b>Office/Zoom Hours:</b>	MW 10:00-11:30, T 9:00-10:30 or by appointment	→ for more direct communication

### Course Description

In this course we will apply economic theory to managerial decision making. We will employ many of the traditional tools of microeconomics and see how they can be used to analyze practical business problems. We will pay particular attention to the strategy of firms in the marketplace and applications of economic analysis in formulating business decisions, drawing upon the theoretical foundations of the concepts of demand, cost, production, profits, and competition. While designed as an MBA core course, the course may well be of interest to students outside the MBA program.

### Prerequisites

Prerequisites are Principles of Microeconomics (Econ 202) and Principles of Macroeconomics (Econ 203). Students are expected to have a working knowledge of the basics of principles of microeconomics, macroeconomics, and statistics.

### Text and Materials

Required: **Managerial Economics - A Problem Solving Approach** by Froeb, McCann, Shor and Ward (any edition)

Articles, videos, podcasts, and/or academic journals may be assigned and discussed throughout semester. You will find that the outside articles will help in understanding the real-world applications of the economic analysis that have been learned in class.

### Recommended Material

Suggested: IF you need refreshing on your basics, a Principles of Microeconomics text (I use O'Sullivan, Sheffrin, & Perez in Econ 202, but any such text will be acceptable), video links to principle level material may also be posted.

### Course Format:

This is a 100% asynchronous online course with no required synchronous meetings. Material is available through the textbook, annotated lectures, blackboard posted articles, videos, and podcasts. Students are expected to participate in weekly discussion boards, complete a short weekly quiz and will be assigned two exams.

## Course Requirements

Task	Points
2 exams at 100 points each	200
Weekly quiz/homework	70
Pre-Exam 1 - Discussion Board Comments	50
Between Exams - Discussion Board Comments	<u>50</u>
Total Possible Points	370

Grading in the course will be based upon weekly quizzes, homework assignments, discussion board comments, and two exams. Assignments, quizzes, and exams will include multiple choice and essay questions with the solution to problems being based on the text, videos, and assigned readings.

## Course Policies

Weekly quizzes are graded upon completion, discussion boards will be graded twice a semester, and exams will be graded within a week of their respective due dates.

All course material and assignments will be posted two weeks in advance of their closing (with the exception of week 1). Since such ample time is available **NO MAKE-UP EXAMS QUIZZES OR DISCUSSION BOARDS EXTENTIONS WILL BE GIVEN**. If students decide not to complete assignment by their stated time, the student will have made the decision to give themselves a score of 0 for that assignment.

Cheating/Plagiarism is in no way tolerated and will be penalized severely. The **minimum** penalty is an "F" for the course.

## Grading Scale

Grade Cutoffs:	A -- 90 - 100%
	B -- 80 - 89
	C -- 70 - 79
	D -- 60 - 69
	F -- < 60

## Course Schedule/Outline/Due Dates

### Exams

There will be a mid-semester exam (to be finished by the end of the day **Wednesday Feb 7<sup>th</sup>**) and a final exam (to be finished by the end of the day **Sunday, March 3rd**). Exams will consist of multiple choice and short answer, essay, and graphical analysis questions.

### Weekly Quizzes/Homework

Each week student is expected to proceed through 2 chapters of the text and any supporting material each week. A short 10 minute/10-point quiz that will cover that week's material will be need to be completed by the end of the day Sunday. There are no make ups, so please make sure you have completed them by each Sunday (this includes weeks in which there are exams). Additional material may be assigned during the term.

### Discussion Board Posts/Comments

Each student is expected to provide 2 discussion board posts per week (1 in exam weeks) based on the posted prompts generally closing on Sunday. Since this is a discussion, posting early creates the opportunity for classmates to respond and will receive more credit. Those posts that provide limited time for student response will be looked at less favorably.

Discussion board posts should relate the text material to the blog post/the blog post's source material and its further implication for explaining the concepts and economic material. It should be well written, well thought-out, and illustrate the student's understanding of how to apply the material to real world conditions.

Each student is also expected to follow the posts of other students and be actively commenting on posts they find of particular interest. This may include the expansion of the discussion, further implications, further insights, etc. Discussion board posts/comments will be evaluated on the frequency and content of his or her contribution to the discussion board. Discussion board evaluations will be made TWICE during the bi-term. The first discussion board grade will be based on the contributions to the board prior regarding the material prior to the 1st exam. Posts made after the 1st exam on material covered for the 1st exam will be ignored. The second discussion board grade will be based on the contributions to the discussion board regarding the material between the exam periods.

#### Discussion Board Comments Guidelines

1. Discussion Board evaluations will be made TWICE during the bi-term. **These are separate discussion board grades. They do not impact each other. The first discussion board grade is based solely on contributions made on material prior to exam 1 and the second discussion board grade is based solely on contributions on material covered between exams 1 & 2.**
2. The discussion board is being utilized to encourage interaction. As we will not meet as a class in a physical sense, the discussion board becomes the interaction component between students. Therefore, each student will be expected to contribute through professionally prepared and appropriate discussion board comments.
3. The number of comments will be important, but the quality of the comments made by students is of greater importance. Although certain topics might not be as applicable to a student's interest or experience as others, I expect students to average 2-3 positive contributions per mini-lecture to the discussion board.
4. My goal for the discussion board is to avoid meaningless responses to comments already posted. Simply stating that you agree with another student's point of view is not a positive contribution. Students need to find valuable information to contribute. This could include original ideas about topics under discussion, contributions of outside material that relate to the topic under discussion, or specific work-related situations that are applicable to the topic under discussion. This is not meant to be an exhaustive list of potentially valuable discussion board posts, just a helpful start.
5. I will monitor the discussion board and, if needed, moderate the discussion and its topics. However, my goal is for the discussion board to be student-centered. The discussion board comments made by students should allow for further discussion and elaboration on the topic. Students should not expect me (the professor) to constantly stimulate class discussion on the discussion board. It is the responsibility of the students in the course to obtain and maintain class discussion.
6. Students are encouraged to post/comment your opinions on the topic and any supporting information that will help you make your points more objective. However, personal attacks on other students (or the professor) will not be permitted. Any comment that can be perceived as a personal attack will be removed from the discussion and the student posting the comment will receive an appropriate reduction in their final point total for the class. Please be civilized in the discussion board. Disagreements and counterpoints can be discussed without resorting to personal attacks.
7. Quality comments made earlier in the week will be evaluated more favorably than those made later in the discussion. You should be consistently involved in the discussion throughout the week, not just near the end of it. Students will get minimal credit for consistently contributing only at the end of the discussion.
8. When posting information on the discussion board, please do not post empty links to web sites. Students often feel like they are providing quality input to a discussion by simply providing links to web sites that contain valuable information about the topic being covered. However, please provide either a brief introduction to the post, or a brief description of the information available at the web site, or why you feel this information is pertinent. Not only will this make it easier for all interested parties to be involved, it will give you the opportunity to exhibit your understanding of the topic at hand, an important component of your discussion board contribution score.
9. This is a graduate level course and I expect any written information to be presented in graduate level English.

10. Please do not plagiarize any material that you post on the discussion board. If you take information from any other source (a book, a person, especially **an INTERNET site**, or any other source), you MUST give credit to the source of information by providing a citation, and you must use quotation marks if the information is copied verbatim.

### Discussion Board Evaluation

Your discussion board comments will be evaluated based on the following scale for each evaluation period.

- 50 - Students receiving this score far exceeded the quality expectations for the discussion board posts and comments of other student's posts. These students post early, consistently introduced outside information and sources, were leaders in both introducing information and the discussion of the information presented, and their comments and input initiated significant further interest
- 45 - Students receiving this score provided discussion board posts and comments that met the expectations in quality. Their comments were posted early and initiated some further interest.
- 40 - Students receiving this score posts/comments on the discussion board were considered to be of "OK" quality.
- 25 - Students receiving this score made one (or more) of the following mistakes:
- a) Discussion board posts were insufficient in both quantity and quality
  - b) Discussion board comments were consistently posted near the end of the week after the material was near completion, creating limited opportunities for others to be involved or respond to these comments
  - c) Discussion board posts were lacking in quality of thought and comments on other's posts were mostly of the variety of "I agree," "Good point," etc..., and did not initiate further discussion or provide significant input into the discussion
- 0 - Limited to no participation in the discussion board

### Course Outline and Readings

Topic	Chapters
Week 1. One Lesson of Business and Costs	2 & 3
Week 2. Extent and Investment Decisions	4 & 5
Week 3. Pricing and Economies of Scale and Scope	6 & 7
Week 4. Industry and Market Structure	8 & 9
Week 5. Maintaining Profitability and Complex Pricing	10 & 12
Week 6. Direct and Indirect Price Discrimination	13 & 14
Week 7. Strategic Games and Bargaining	15 & 16

Mid-term Exam will cover materials on topics from Chapters 2-8

Final Exam will cover materials on topics from Chapters 9-16

Annotated lectures are linked in the content folder as well as additional materials

## Technology and Technical Skill Requirements

This course will utilize Blackboard to allow interaction between students and the professor, available at <https://wku.blackboard.com/>. You will be required to utilize this component of the university's website to obtain tests, post discussion board comments, contact individual students in the class, and generally participate in class. You need to be adept at using Blackboard in this course. This includes having access to a computer throughout the term.

- Students must be proficient in the use of computers, the Internet, browsers, Microsoft Office Word, and other common applications.
- Students must be able to use their WKU email, as well as the following tools in Blackboard Ultra: course messages, assignments, discussion board forums, tests, blogs, journals, wikis, and groups.

## Technology Assistance

If you have technical problems, please contact one of the following:

- WKU Information Technology Services Helpdesk
- Blackboard Student Support

## University Policies

In compliance with University policy, students with disabilities who require academic and/or auxiliary accommodations for this course must contact the Student Accessibility Resource Center located in Downing Student Union, Room 1074. Please do not request accommodations directly from the professor or instructor without a faculty notification letter (FNL) from The Student Accessibility Resource Center.

Western Kentucky University (WKU) is committed to supporting faculty, staff and students by upholding WKU's Sex and Gender-Based Discrimination, Harassment, and Retaliation and Discrimination and Harassment Policy. Under these policies, discrimination, harassment and/or sexual misconduct based on sex/gender are prohibited. If you experience an incident of sex/gender-based discrimination, harassment and/or sexual misconduct, you are encouraged to report it to the Office of Institutional Equity/Title IX Coordinator or Title IX Investigators. Please note that while you may report an incident of sex/gender based discrimination, harassment and/or sexual misconduct to a faculty member, WKU faculty are "Responsible Employees" of the University and MUST report what you share to WKU's Title IX Coordinator or Title IX Investigator.

Other WKU Syllabus information can be found at [wku.edu/syllabusinfo/](http://wku.edu/syllabusinfo/).