

BA 2801 and BAS 383 – Microeconomics for Business  
MW 12:40 – 13:55 @ G 110

<b>Instructor:</b>	Dr. Seza Danişoğlu
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<b>Office Hours:</b>	MW 09:00 – 10:00, or, strictly by appointment
<b>Course Web Page:</b>	TBA
<b>Course Description:</b>	
<p>Successful management depends on the ability to improve resource use in all types of organizations. This course emphasizes the nature of the decision making process geared at attaining the goal of better resource use and the role that economic analysis plays in this process. The course will acquaint the students with the concepts of economic optimization, demand and supply analysis, production and cost analysis and market or competitive structure. Throughout the semester, the students will be exposed to the different aspects of managerial decision making with the help of the knowledge of microeconomics.</p>	
<b>Course Student Learning Objectives: (CSLO)</b>	
<p><i>Upon successful completion of this course, students should be able to:</i></p> <p><b>Course Specific Skills:</b></p> <ol style="list-style-type: none"> <li>1. Develop skills in economic optimization by making use of basic calculus concepts</li> <li>2. Understand the concepts and determinants of demand, supply and market equilibrium</li> <li>3. Understand how utility theory is applicable in analyzing demand</li> <li>4. Understand the concept of elasticity and its applications in economics</li> <li>5. Develop skills in using regression analysis for identifying the determinants of demand</li> <li>6. Understand the production and cost concepts and their significance in profit maximization</li> <li>7. Understand the need for analyzing the nature of a firm's competitive environment</li> <li>8. Understand the different market mechanisms at play in competitive markets</li> <li>9. Understand how goods and services are priced under different competitive structures</li> </ol> <p><b>Discipline Specific Skills:</b></p> <ol style="list-style-type: none"> <li>10. Recognize how managerial economics is useful in making the best managerial decisions</li> <li>11. Understand the concepts of scarce resources and constrained optimization</li> <li>12. Identify the interaction between microeconomics concepts and the core business functions</li> </ol> <p><b>Personal and Key Skills:</b></p> <ol style="list-style-type: none"> <li>13. Develop problem solving skills</li> <li>14. Develop writing and discussion skills</li> <li>15. Learn to apply the abstract concepts learned in the classroom to everyday decisions made by people and organizations</li> </ol>	
<b>Learning and Teaching Methods:</b>	
<p>This course is going to make use of formal lectures, in-class discussions and problem solving, written homework assignments, and weekly recitation hours.</p>	
<b>Required Reading:</b>	
<p>HIRSCHEY, M., BENTZEN, E., SCHEIBYE, C. <u>Managerial Economics</u>, 15th Edition, Cengage Learning, Canada, 2019 (ISBN: 9781473758360)</p>	

Assessment and Grading:				
Form of Assessment	% Contribution	Size of the assessment	CSLOs covered by this assessment	Feedback Method
Midterm Examinations (Two Examinations)	40	135-minute essay-type examinations	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15	Written and oral (in class)
Final Examination	35	150-minute essay-type examination	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15	Written
Written Assignments (Three Assignments)	15	Self-study hours (4+ hours)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15	Written
Attendance	10	Class participation during regular lectures	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	Written

No "extra" work above the aforementioned will be accepted or credited.

**Makeup Examinations:** There will be no make-ups for exams or assignments. If you have a time conflict, please contact me ahead of time.

**Important Note About Re-sit (Bütünleme) Exams:** Please note that re-sit exams are no longer given at METU.

**Incompletes:** A grade of incomplete will not be granted except for the most extreme circumstances and only after stringent verification and approval by the Department. A grade of incomplete will be granted only as a result of circumstances beyond the student's control. A grade of "I" is not given in lieu of an "FF".

Course Policies:
<p><b>COURSE REQUIREMENTS:</b> Attendance is mandatory in this class. Past experience repeatedly demonstrated that students who regularly attend class and read the chapter assignments perform <u>significantly</u> better than students who have an intermittent attendance and/or who do not keep current in reading the chapters.</p> <p><b>HOMEWORK ASSIGNMENTS:</b> Homework assignments and due dates are announced in the schedule below. These assignments are posted and collected at the web page for this course. Please remember that it is the student's responsibility to follow the due dates for the assignments.</p> <p><b>READING ASSIGNMENTS:</b> The following pages give the schedule for the reading assignments. The lectures will stress the most important and/or most difficult material. Appendices are required only if they are assigned.</p> <p><b>PRESENTATION SLIDES:</b> A copy of the presentation slides is available at the course web page. These slides can be used as chapter summaries and utilized while taking down notes during class.</p> <p><b>STUDENT DISABILITIES:</b> Any student, who, because of a disabling condition, may require special arrangements in order to meet course requirements, should contact the instructor as soon as possible. Students should present the appropriate documentation from the university's <u>Disability Support Office</u> (<u>Engelsiz ODTÜ Birimi, ODTÜ Kütüphanesi, Solmaz İzdemir Salonu, Tel: 210.7196; <a href="mailto:engelsiz@metu.edu.tr">engelsiz@metu.edu.tr</a></u>) verifying their disability, and outlining the special arrangements required. Please note that no accommodations will be provided to the disabled students prior to the completion of this approved University process.</p>

**ACADEMIC DISHONESTY:** The Department of Business Administration has no tolerance for acts of academic dishonesty. Such acts damage the reputation of METU, the department and the BS degree and demean the honest efforts of the majority of the students. The minimum penalty for an act of academic dishonesty will be a zero for that assignment or exam.

**CHEATING:** All university, faculty/institute, and department principles on academic honesty will be strictly enforced. The usual consequence for academic dishonesty is failure of the course and referral of the case to the Dean of the Faculty for additional disciplinary action. Examinations are individual and are to be completed without outside assistance of any sort. Persons observed cheating during examinations will receive a failing grade in the course. Homework assignments are individual, unless otherwise specified by the instructor, and are to be completed without outside assistance of any sort, as well. Persons observed cheating in their homework assignments will receive a score of zero for the portion of the semester grade that is allocated to such assignments.

**PLAGIARISM:** The instructor assumes that students will do their own work. By placing their names on assignments (individual or team), students are affirming that the contents are their original work. Any previous work available from files or past students, as well as materials available on the internet may be used only as a suggestive model. Violation of this provision will be considered as unethical behavior, subject to disciplinary action. If you have any doubt about the use of a specific material, see the instructor ahead of time. Any material used from outside sources should be referenced appropriately. Persons observed to plagiarize while preparing assignments will be referred to the Dean of the Faculty for additional disciplinary action and also they will receive a score of zero for the portion of the semester grade that is allocated to such assignments.

Please read the following documents carefully:

Turkish: [https://oidb.metu.edu.tr/sites/oidb.metu.edu.tr/files/ODTUAkademikDurustluk-Kilavuzu-7.3.2016.son\\_.pdf](https://oidb.metu.edu.tr/sites/oidb.metu.edu.tr/files/ODTUAkademikDurustluk-Kilavuzu-7.3.2016.son_.pdf)

English: <http://oidb.metu.edu.tr/system/files/Academic%20Integrity%20Guide%20for%20Students.pdf>

Turkish: [http://oidb.metu.edu.tr/sites/oidb.metu.edu.tr/files/ODTU%20Sinav%20Kurallari-Kilavuz-7.4.2016.son\\_.pdf](http://oidb.metu.edu.tr/sites/oidb.metu.edu.tr/files/ODTU%20Sinav%20Kurallari-Kilavuz-7.4.2016.son_.pdf)

English: <http://oidb.metu.edu.tr/sites/oidb.metu.edu.tr/files/Guide%20for%20Rules%20to%20Be%20Followed%20In%20an%20Examination%20Environment.docx>

## METU HONOR CODE

Every member of METU community adopts the following honor code as one of the core principles of academic life and strives to develop an academic environment where continuous adherence to this code is promoted.

"The members of the METU community are reliable, responsible and honorable people who embrace only the success and recognition they deserve, and act with integrity in their use, evaluation and presentation of facts, data and documents."

**CIVILITY IN THE CLASSROOM:** Students are expected to assist in maintaining a classroom environment which is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, unless otherwise approved by the instructor, students are prohibited from using laptop computers and cellular phones, making offensive remarks, reading newspapers, sleeping, or engaging in any other form of distraction. Inappropriate behavior in classroom shall result, minimally, in a request to leave class.

Past observations showed that the METU classroom experience is improved when the following are true:

**Students arrive on time.** Timely arrival ensures that classes are able to start and finish at the scheduled times. Timely arrival shows respect for both fellow students and faculty and it helps to create a better learning environment by reducing avoidable distractions.

**Students are fully prepared for each class.** Much of the learning in this course takes place during classroom discussions. When students are not prepared, they cannot contribute to the learning process. This affects not only the individual but also the classmates who count on them.

**Students respect the views and opinions of their colleagues.** Disagreement and debate are encouraged; however, intolerance for the views of others is unacceptable.

**Cell phones are turned off.**

**STUDENT EXCUSES:** Unless you inform me in advance, I will not excuse you from any of the grade requirements. At the same time, this does not mean that I will allow you to miss a test or an assignment with any excuse that you present to me. Please note that the excuse is acceptable for only the most extreme circumstances and only after stringent verification and approval by the Department.

**KNOW YOUR RIGHTS AND RESPONSIBILITIES!** <http://oidb.metu.edu.tr/en/academic-rules-and-regulations>

**NOTE THE IMPORTANT DATES ON THE ACADEMIC CALENDAR!** <http://oidb.metu.edu.tr/en/academic-calendar>

**Notes:**

- Usage of cell phones is strictly prohibited during class. Please be courteous to your classmates and me and make sure that your phones are on silent mode before the class begins.
- Please arrive on time and do not enter the classroom if I already have closed the classroom doors. If you have to leave early, please inform me in advance. If, due to uncontrollable circumstances, you end up being late for class, please wait outside until the first in-class break during which I will open the classroom door and let you in.
- You are encouraged to drop by my office during office hours for questions, concerns, or, suggestions. Outside the office hours, please make an appointment with me in advance, before or after the class, via phone or e-mail. For quick questions that you may have, note that e-mailing is a very effective means of communicating with me.

The instructor assumes that students who attend the next class have understood and accepted to agree with all the requirements and rules of this course.

Good luck to all of you and let's have a very enjoyable semester together!! SD

Don't be Trashy. **Recycle.**

Do not throw items away in the trash that should go into the recycling bin.

Show a little class.

**REFUSE, REDUCE, REUSE, REPURPOSE, RECYCLE!**



The following table gives the tentative schedule for the semester. The lectures will stress the most important and/or most difficult material. Appendices are required only if they are assigned. The students are required to read the chapters and appendices before they are covered in class.

Tentative Course Schedule				
Month	Day	Topic	Reading Assignment	CSLO
September	30	Introduction	Chapter 1	10, 13
		Nature and Scope of Managerial Economics Economic Optimization	Chapter 2	1, 11
October	2	Economic Optimization (Cont'd)	Chapter 2	1, 11
	7	Economic Optimization (Cont'd)	Chapter 2	1, 11
	9	Economic Optimization (Cont'd)	Chapter 2	1, 11
	14	Economic Optimization (Cont'd)	Chapter 2	1, 11
	16	Demand and Supply Demand Analysis	Chapter 3 Chapter 4	3, 4
	21	Demand Analysis (Cont'd)	Chapter 4	3, 4
	23	Demand Analysis (Cont'd)	Chapter 4	3, 4
	28	Demand Analysis (Cont'd)	Chapter 4	3, 4
	30	Demand Analysis (Cont'd)	Chapter 4	3, 4
November	4	Demand Estimation	Chapter 5	5
	6	Demand Estimation (Cont'd)	Chapter 5	5
	11	Production Analysis	Chapter 7	6
	13	Production Analysis (Cont'd) <b>HOMEWORK 1: DUE BY 12:40 via ODTUClass</b>	Chapter 7	6
	15	<b>Midterm 1 @18:00 Chapters 1, 2, 3, 4, 5</b>		1, 2, 3, 4, 5, 10, 11, 13
	18	Cost Analysis and Estimation	Chapter 8	6
	20	Cost Analysis and Estimation (Cont'd)	Chapter 8	6
	25	The Nature of Industry	Appendix to Chapter 10	7 5
	25	<b>Extra Session: Makeup for January 1<sup>st</sup> MS Teams Meeting, 18:00 – 19:15</b>  <b>Meeting ID: 223 741 657 661 Passcode: oomiCX</b>  Competitive Markets		
	27	Competitive Markets(Cont'd)	Chapter 10	7, 8
December	2	Monopoly and Monopsony	Chapter 12	7, 8
	4	Monopoly and Monopsony (Cont'd)	Chapter 12	7, 8
	9	Monopolistic Competition and Oligopoly	Chapter 13	7, 8
	11	Monopolistic Competition and Oligopoly (Cont'd)	Chapter 13	7, 8
	16	Monopolistic Competition and Oligopoly (Cont'd)	Chapter 13	7, 8
	18	Pricing Practices	Chapter 15	9
	23	Pricing Practices (Cont'd) <b>HOMEWORK 2: DUE BY 12:40 via ODTUClass</b>	Chapter 15	9 7, 8
	25	Pricing Practices (Cont'd)	Chapter 15	9
	27	<b>Midterm 2 @18:00 Chapters 7, 8, 10, 12, 13</b>		7, 8
	30	Pricing Practices (Cont'd)	Chapter 15	9
January	1	<b>No class: New Year's Day</b>		
	6	<b>HOMEWORK 3 DUE BY 17:00 via ODTUClass</b>		7, 8, 9
	<b>TBA</b>	<b>Final Examination @ Comprehensive: (60% Chp 15) + (40% Remaining Chapters)</b>		1 through 9