

Course Syllabus, Fall 2023

Microeconomic foundations for business decision-making. Enrollment limited to full-time Wharton MBA students.

Professors

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Lectures

The course meets during the first half of the fall semester. You are automatically enrolled in a section with your cohort. See Canvas for the meeting times and the classroom.

Deliverables

Your grade for the course will be based on the following components:

1. **Class participation and attendance** (10% of final grade)
2. **Practice questions** (5 sets; 40% of final grade)
 - a. Multiple-choice and true-false questions (same format as exam questions)
 - b. On each problem set, we only count the 10 questions on which you did best, but you are strongly encouraged to attempt all of them
 - c. Only your 4 best problem sets count for the final grade
 - d. Due dates are announced on Canvas
3. **Final exam** (50% of final grade)
 - a. Wednesday, October 11th, from 7pm to 9pm
 - b. In person, on campus
 - c. MBA Program Office handles all exam conflicts; contact them if needed

How to be successful in this class

This is a quantitative class. The exam tests your ability to apply the ideas we learn, rather than memorization of facts. Because of this, the best way to study is to rework through the examples from class with pen and paper, and to attempt to solve all practice problems on your own. Repetition, in particular, of actually answering quantitative questions yourself, is very helpful. We also highly recommend working in groups, for example, with your learning team. Experience shows that these group meetings work best if all members of the group have already tried to work on the problems on their own before the meeting.

How to get help

If you have questions, or are struggling with the material, there are many ways to get help:

1. **Email Dr MGEC at mgec.questions@gmail.com.** Your primary contact for all MGEC-related questions.
2. **Attend TA office hours.** Free tutoring time with a second-year MBA student TA. Offered several times a week. See Canvas for the schedule.
3. **Attend weekly TA sessions (aka recitation).** An MBA student TA will solve problems similar to practice and exam questions at a slower pace and in more detail than during lectures. Offered several times a week. See Canvas for the schedule
4. **Attend your professor's office hours.** See Canvas for the schedule.

Readings

We sometimes assign short newspaper articles, videos, or other preparation for the day's lectures. They will be posted on Canvas along with all other course material.

There is no required textbook for the course. If you wish to have one as an additional resource—say, because you have little background in economics, haven't seen similar material in years, or would just like to dig deeper—we recommend *Microeconomics* by B. Douglas Bernheim and Michael D. Whinston (McGraw Hill); any edition is fine.

Attendance Policy

We follow the [MBA Program Attendance Policy](#). Student attendance is expected and required. You are responsible for recording your attendance using the Canvas app. You are allowed two absences (for any reason) with no impact on your participation grade. All lectures are recorded; the recordings are posted on Panopto (see link on Canvas).

If something prevents you from doing the scheduled coursework, please contact your instructor and your advisor in the MBA Program Office as soon as possible.

Grading Policies

- Practice problems and the final exam are graded electronically, and scores will be posted on Canvas. For practice problems, the scores become final 7 days after the scores have been posted. Any inquiries about them must be submitted in writing prior to this 7-day deadline. The deadline for inquiries about exam scores will be announced later.
- **Any evidence of cheating is sent immediately to the Dean.**

Course Outline (Chapter numbers refer to optional readings from Bernheim & Whinston, 2nd ed.)

Unit 1: The Context in Which Firms Operate

1. Course Introduction; Supply and Demand (Ch 2)
2. Market Equilibrium (Ch 2.3, Ch 14)
3. Taxes (Ch 15)
4. Regulating Externalities (Ch 20)

Unit 2: Production Decisions and Pricing

5. Cost Minimization and Supply Choices (Ch 7, Ch 8)
6. Operating in a Price-Taking Industry (Ch 9, Ch 14)
7. Pricing with Market Power (Ch 9, Ch 17)
8. Double-Marginalization and Supply Chains*

Unit 3: Game Theory—A Framework for Strategic Interactions

9. Simultaneous-Move Games (Ch 12)
10. Sequential-Move Games (Ch 12)
11. Repeated Games (Ch 12)
12. Course Review

Lecture slides and any other materials for each class will be posted on Canvas.

* Bernheim & Whinston do not discuss this. Instead, see for example, *Microeconomics for Managers* by David Kreps (Ch 6 in the 2nd edition, or Ch 9 in the 1st edition).