

# BEPP 250 – SPRING 2015

## *Managerial Economics*

### *Honors*

This is a course on intermediate microeconomics. We will use microeconomics as a set of tools to solve problems in business, policy, and social science. These tools are based on creative application of three basic principles: people respond to incentives, individual behavior aggregates into equilibrium social behavior, and we can use normative criteria to compare different outcomes.

The course covers the most important models of consumer, firm, and market behavior. The goal of the course is both to master microeconomics and to apply the basic principles to real problems. Have you wondered “How should Uber set prices?”, “How does trade with China affect American manufacturing?”, “Why are Playstation games expensive while Sony prices the console close to how much it costs?”, “Should income tax rates for millionaires be 75%?”, “should Spotify start charging per song?”, “Why does Apple manufacture the iPhone and designed iOS while Google built Android but not phones?” If you have, then you came to the right syllabus.

BEPP 250 *honors* (but not regular) counts as a substitute for ECON 101 to take upper level econ courses because we will rigorously cover the key topics in microeconomics.

### *Grading*

Grades in honors depend on attendance (5%), problem sets (10%), two midterms (25% each), and a final exam (35%). The curve is carefully set to make sure students taking honors are not placed at an advantage nor at a disadvantage versus students taking the regular sections.

Problem Sets: There will be six problem sets due every other Wednesday in class except for midterm weeks.

**The midterm exams are scheduled for Wednesday, February 18 and April 1st, 6-8PM. The final exam is scheduled for Tuesday, May 13, 6-8PM. Exams are “closed book” and you cannot bring a calculator (nor will you need one). Exams will be VERY CONSISTENT with our problem sets, problems in lectures, and practice problems, so that is the BEST WAY TO PREPARE. Hopefully the subtle bold and all caps combination is enough to clarify this point.**

### **How to Learn**

Recitation: Our graduate TA YinYin Yu will teach recitations on Mondays and Tuesdays 5-6pm and Fridays 11am-12pm and 1-2pm. Recitation will cover a problem that is useful for preparing for the exams and be devoted to clarifying the content in the week’s lectures.

Office Hours: Undergraduate TAs Barrett Block and Natalie Borowski will hold office hours Tuesdays 4:30-730pm. Professor Azevedo has office hours Mondays 3-5pm. You are very welcome to come to office hours to get help with problem sets, the material, and preparing for exams.

Piazza: You are highly encouraged to use our Piazza site when you have questions. Our undergrad TAs will devote a few hours a week to answering questions on Piazza, and we expect this to be a lively community to discuss the material.

Extra Problems: Besides the problem sets we will post additional practice problems on Canvas. Some of these problems are more basic, and designed to make sure you are prepared for the exam. We also

have challenge problems that apply economics to real-world issues. The exams will look more like the problem set problems and the practice problems, so doing those is the best way to be prepared.

Textbook: The textbook for this course is *Intermediate Microeconomics with Calculus: A Modern Approach* by Hal Varian. The book is optional because the class slides and problems have everything you need to know. But both this book and Varian's book without calculus have pretty good explanations.

### ***Contact and No Excuses Policy***

If you have a question about the content, go to Piazza first. Our undergrad TAs will be actively helping people with questions, and we expect our Piazza community to be active and helpful to everyone. Remember, your question is probably someone else's question too.

After Piazza, your primary point of contact for any course-related matters are your TAs, "Block, Barrett" <[blockp@wharton.upenn.edu](mailto:blockp@wharton.upenn.edu)>, "Borowski, Natalie" <[borowski@wharton.upenn.edu](mailto:borowski@wharton.upenn.edu)>, "Yu, Yinyin" <[yinyiny@sas.upenn.edu](mailto:yinyiny@sas.upenn.edu)>. If your question is related to course rules, please read the syllabus before contacting one of them. If your question is about exception to the rules, there are no exceptions.

In the interest of fairness, and minimizing the number of emails received by Professor Azevedo, Professor Azevedo will strictly observe the rules in the syllabus. There will be no leniency about missed problem sets, absences, bumping up grades, etc.

### ***Other Important Information***

Prerequisites: Students need to have taken ECON 1 or ECON 10 or its equivalent. Also, you will finally be able to apply the tools you learned in calculus. In particular, students need to be comfortable with taking derivatives.

Attendance: Attendance (and displaying your name tents) is mandatory and attendance will be recorded within 5 minutes of the start of each class. The class will have a seating chart so please be in your proper seat on time. Exams will be based on the material covered in lectures. While the textbook is a useful complement to the lectures, it is definitely not a substitute so you really do want to attend class. In grading attendance, each student has a credit of two excused absences. This should cover religious holidays, illnesses, and other legitimate reasons for missing a class. Thus, if a student attends at least 24 out of the 26 lectures then s/he will receive a perfect attendance grade. After using up your two excused absences, all subsequent absences are unexcused and thus will lower your attendance grade. If you do miss a class, you are encouraged to report and explain it using [Course Absence Report](#). CAR is solely for information purposes and its use cannot hurt you (in particular, it will not affect your course grade) and could help you (by keeping Academic & Advising well-informed of any possible problems; remember, they are there to support you).

Ethics: You are expected to review and abide by the University of Pennsylvania's Code of Academic Integrity. Violations of the code carry serious sanctions. Among such violations is the altering of exams after the exams are returned. In the spirit of discouraging any temptation to engage in such unethical practices, copies of midterm and final exams will be made before they are returned to students. The faculty will turn all cases of code violations over to the Office of Student Conduct and reserve the right to impose additional sanctions, including a failing grade for the assignment / exam and the course.

Electronics: Checking your smartphone, tablet, laptop, smartwatch, or any other device that connects you to the world outside of this classroom is not allowed unless an exception is made in association with some classroom activity.

Re-grading Policy: It is our experience that grading mistakes are rare, but we realize that they do occur. In the event that you believe your test has been graded incorrectly, please follow the steps below:

- 1) Go home from class and carefully read the answer sheet posted on Canvas. Take at least 24 hours to think about the answers before submitting a re-grade request.
- 2) If you decide to submit a request, submit it in writing on a separate piece of paper and attach that sheet to your exam. **Do not write on the exam.** Additionally:
  - a) For each part of the exam that you think was mis-graded, give a written explanation of your view.
  - b) You must ante up one exam point for each part of the exam that you think was mis-graded. You get that point back only if your complaint is judged to have merit. Otherwise, you lose the point.
  - c) You must submit the entire original exam (not just the question(s) you wish to have re-graded). Your score could go down or up as a result of re-grading.
  - d) We reserve the right to re-grade the whole exam (even questions not requested for a re-grade).

Policy for Missing an Examination: Students are expected to attend the mid-term and final examinations. A missed exam will be assigned zero points, unless the student has a medical or personal emergency or some unavoidable school-related conflict that is recognized and excused by a student's instructor. In all cases, a student must make a request for an excused absence to his or her instructor (by email) prior to the regularly scheduled exam. The instructor may ask the student to provide appropriate documentation. Conflicts with other exams will be dealt with on a case-by-case basis. In case of a conflict between exams, a student is required to notify the instructor of the conflict at least two weeks prior to the exam date.

For those students who miss the mid-term exam scheduled for February 27<sup>th</sup> and have been given an excused absence by the student's instructor, they will be allowed to take the make-up mid-term exam that will occur on March 3<sup>rd</sup>. If you miss the make-up exam without having received an excused absence (for the make-up exam) then you will receive zero points. If you miss both the mid-term exam and the make-up mid-term exam and have been given an excused absence for both, the weight originally assigned to the mid-term exam will be shifted to the final exam.

For those who miss the final exam and have an excused absence, there will be a make-up final exam in September (or earlier if at all possible).

Students with Disabilities Requests for academic accommodations need to be made during the first two weeks of the semester, except under unusual circumstances, to arrange reasonable accommodations. Students must register with Student Disabilities Services (SDS) for disability verification and for determination of reasonable academic accommodations.