HKUST Business School - Department of Economics
ECON3014 L1 – Managerial Microeconomics (Spring 2017)
Course Outline

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<tr>
<th>Lecture Time:</th>
<th>Monday 13:30-14:50 and Friday 9:00 – 10:20.</th>
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<tr>
<td>Venue:</td>
<td>LSK G007</td>
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<td>Course Website:</td>
<td>CANVAS</td>
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<tr>
<td>Instructor:</td>
<td>Sandro Brusco</td>
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<tr>
<td>Office:</td>
<td>Room 6070, Lee Shau Kee Business Building</td>
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<tr>
<td>Email</td>
<td><a href="mailto:sbrusco@ust.hk">sbrusco@ust.hk</a></td>
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<tr>
<td>Office Hours:</td>
<td>Tuesday 13:00-15:00</td>
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<td>Teaching Assistant</td>
<td>Bing GUO</td>
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<tr>
<td>Office:</td>
<td>LSK 6066</td>
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<tr>
<td>Email</td>
<td><a href="mailto:ecbguo@ust.hk">ecbguo@ust.hk</a></td>
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<tr>
<td>Office Hours:</td>
<td>Tuesday 17:00-17:50</td>
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A. Course Description
Apply principles of microeconomics to real world business issues and public policies. I will use real world examples and cases as much as possible in order to enhance your understanding of course materials.

B. Textbook (Suggested):
- “Managerial Economics, Fourth edition” by Ivan PNG, published by Blackwell Publishers (HKUST online access)
- Supplementary readings will be posted on the Course Website

C. Course Format / Teaching Approach:
This course is delivered through lectures and tutorials. Students attend two 80-minute lectures per week. Tutorials will be arranged when needed. Tutorial times and topics will be announced in advance during lectures and on Course Website. Please note that lectures and tutorials are not “substitutes” but “complements” to each other. Do attend both lectures and tutorials for your own benefit.

D. Course Website
All course materials and announcements will be posted on the Course Website (CANVAS). You should visit the Course Website frequently to check announcements, obtain class material and verify your personal grading record.

E. Office Hours and Appointments:
If you have a course or work conflict with the scheduled time for my office hours, please do not hesitate to contact me by email and we will find another time to meet.

F. Examinations and Grades:
Problem sets:
Problem sets will be assigned for each major topic (will be posted on the Course Website). You have to turn in your own problem sets before the announced deadline through the Course Website. Please note that NO late submission will be accepted. Understanding the problems will substantially assist you in learning the course materials. I strongly suggest that
you form small study groups to work on the problems. Full solution will be posted on the Course Website. If you have any questions about the problem sets, please seek help from me or TA.

Writing Assignment (short article):
Suggest an interesting question about something they have personally observed and then use basic economic principles to answer it in no more than 1000 words. Deadline: TBA

Midterm Exams:
There will be one midterm exam. The midterm exam will cover lecture materials, problem sets and assigned reading (if any).

- Midterm Exam (in-class): TBA

For students who are absent from the midterm exam with my approval, your weighting of midterm exam will be transferred to the final exam. Your request of absence from the midterm exam must be supported by valid documents, such as original copy of medical certificate issued by a registered medical practitioner. Absence from the midterm exam without approval will result in ZERO score.

Final Exam:
The Final Exam is CUMULATIVE.

- Final Exam: During 16 to 27 May, 2017 (To be announced by ARR)

If you intend to travel at the end of the semester, please be careful to arrange your travel plans to avoid any schedule clash. Request for a change of final examination date will not be accommodated.

Overall Grading for the Course:
Your overall score for the course will be computed according to the following:

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<tbody>
<tr>
<td>Problem Sets</td>
<td>10%</td>
</tr>
<tr>
<td>Writing Assignment</td>
<td>20%</td>
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<tr>
<td>Midterm Exam</td>
<td>30%</td>
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<tr>
<td>Final Exam</td>
<td>40%</td>
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Please Note:
For students who are absent from the final exam with my approval, make-up exam will be arranged. Your request of absence from the final exam must be supported by valid documents, such as original copy of medical certificate issued by a registered medical practitioner. Absence from the final exam without approval will result in ZERO score.

Make-up exam will be scheduled the day after the official final exam date (to be announced by the ARR of the HKUST) or as soon as possible and should be done within one week after the official final exam date. It is the responsibility for those who request for a make-up exam to ensure their availability. The make-up arrangement can be in the form of written-exam, oral exam or research paper, etc.

Please NOTE that the instructor has the final discretion on all arrangements of the make-up exam. Students who request for the make-up final exam should comply all the requirements as communicated by the instructor. Failing to meet any requirement may result in a ZERO score.

G. Academic Honesty and Integrity:
Academic integrity and honesty are key values at HKUST. Please read the information on academic integrity carefully. It is your responsibility to be familiarized with the Academic
Honor Code and the content on the Academic Integrity website. The site address is: http://www.ust.hk/provost/integrity

The Code will be STRICTLY enforced. I will report any cases to the University WITHOUT EXCEPTIONS.

H. How to Get Help:
TA and I hold regular office hours to answer questions and help you with your study. If you have any worries or are under pressure about the course, I urge you in the strongest possible terms, to get help immediately. I would be happy to talk with you and help you find appropriate solutions.

I. Classroom Etiquette
You are expected to be punctual for both lectures and tutorials; I will start and end the lecture on time. You are welcome to bring your laptop or other devices to lectures for learning purposes. Respect the others in class and do not disturb others with side conversation, Internet surfing, emails-checking or instant-messaging during class time. Please visit the following site for general guidelines on proper classroom behavior: http://www.ust.hk/provost/conduct/good_learning_experience.pps

J. Course Outline (Tentative: Either topics and their order is subject to change):
1. The Theory of Individual Behavior (BP Ch.4)
   - Indifference Curves
   - Utility maximization
2. The Production Process and Costs (BP Ch.5)
3. The Organization of the Firm (BP Ch.6)
   - Boundary of firm
   - Global supply chain
4. Market Power and Business Strategies (BP Ch.7 to 11, Ch.13)
   - Market power and strategies: Standard Bertrand model, advertising, asymmetric competition, etc.
   - Competition with differentiated products
   - Entry and market structure
   - How to price
5. The Economics of Information (BP Ch.12)
   - Individual and firm’s decision under uncertainty
   - Adverse selection and moral hazard
6. Antitrust and government in the marketplace (BP Ch.14)
7. Estimation of Demand Function (BP Ch.3)
   - Demand for identical product
   - Demand for differential products
8. A further look into the market mechanism (if time allows)