

GSB 621-01 Economics of the Firm

Course Syllabus

Summer 2017

Daniel Condon, Ph.D.

Lewis 232

Office Hours: 5:00 – 6:30 before class

524-6233

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Text:

Articles and cases distributed by the professor

Course Description: This course is designed to be one of the core courses of the MBA program. This course will build upon and integrate the basic economic theory presented in introductory economics courses. All students enrolled in this course are assumed to have a basic knowledge of economic theory. In particular, students will learn to apply microeconomic theory to real world situations, with special emphasis on firms and consumers.

Course Objectives: Students who successfully complete this course will:

- Gain a solid understanding of microeconomic theory
- Be able to apply theory to firms and consumers
- Work more effectively in teams
- Produce cogent written analysis

Course organization: Students will be placed in teams the first night of class. Students will work with their teams for the entire semester. Each student team will be responsible for particular class discussions, case analysis, a final paper and a presentation. Particular team assignments will be made the first night

Grading: Grades will be determined in the following manner:

Case Analysis	10%
Article Presentations/Discussions	25%
Final Presentation/Paper	35%
Final Exam	30%

Final Presentations

Specific presentation assignments will be made at early in the semester.. For the presentation, students will apply the theory learned in this course to a specific business organization/ industry. Power Point is suggested. The presentation should be a 20-30 minutes long. A 7-10 page paper, summarizing the presentation, will be turned in to the instructor.

The grade for the presentation/paper will be based on input from the audience as well as the instructor. The student teams will be given an overall evaluation.

General Presentation Outline

I. Introduction: General outline should be presented. . Talking points should be outlined.

II. Theory: The appropriate economic theory should be detailed. The more basic the presentation, the better. Presenters may assume the audience has little, if any, knowledge of economic theory.

III. Application: The economic theory should be applied to the " real world" situation presented. Presenters should feel free to bring in additional information in this section of the presentation.

IV. Conclusion: The presentation should be tied together this point and the relevance of the theory evaluated.

**Economics of the Firm
General Course Outline**

Week	Topics	Readings
5/9	Introduction\Economic principles	
5/11	Team organization	
5/16	Evolution of the Firm Chandler	Chandler
5/18	Vertical Firm Boundaries Stigler	Stigler
5/23	Markets Coase	Coase
5/25	Entry and Exit Williamson	Williamson
5/30	Strategic Commitment Alchian	Alchian
6/1	Porter's Five Forces	Simon
6/6	Disposable Diaper Case	
6/8	Value Creation	
6/13	Competitive Advantage	
6/15	Pepsi Coke Case	
6/20	Presentations	
6/22	Final Exam	

