



ECO 5315: MICROECONOMIC THEORY AND
BUSINESS DECISIONS
AUSTIN EMBA PROGRAM

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Course

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I. TEXT AND MATERIALS

- Allen, W. Bruce, Weigelt, Keith, Doherty, Neil A., and Edwin Mansfield, 2009, [*Managerial Economics*](#) (7th edition), W. W. Norton (ISBN: 0393932249);
- Other readings may also be distributed from the course website.
- The schedule for reading assignments and problem sets is indicated on the course website.

II. COURSE DESCRIPTION

ECO 5315 is a seminar course designed to cover aspects of the theory of microeconomics that are relevant for decision making within the firm. Emphasis is placed on the decision-making process. Numerous problems, cases, and examples are used to illustrate the theory.

III. COURSE GOALS

- Learn to use economic models to think critically about everyday problems.
- Know what conditions characterize competitive outcomes and efficient allocations of resources.
- Understand how firm cost structure and the nature of the market determine prices and production; learn how firms with pricing power can exploit variation in demand to price discriminate and maximize profits.

- Apply strategic thinking to decision-making and know how to use it to analyze firm and individual choices.
- Understand how risk influences decision-making and the design of real world contracts.
- Learn, grow and have fun!

IV. GRADE DETERMINATION

The overall course grade is based upon the following equation:

$$\text{Final Grade} = .30(\text{Problem Sets}) + .30(\text{Midterm Exam 1}) + .40(\text{Final Exam})$$

The midterm exam will occur in class on Thursday, November 5. The final exam will occur during the final class session on Monday, December 14.

V. ATTENDANCE AND PARTICIPATION

This course will be conducted on an informal seminar basis. Students are expected to attend class regularly and participate meaningfully in class discussions.

VI. WEBLOG

A course blog has been established for ECO 5315. This will provide a convenient means for me to distribute important announcements to you between class periods as well as provide insights linking course topics with the “real” world. The address for this blog is <http://econblog.garven.com>, and it is linked from the "[Course Blog](#)" button on the home page of the course website. I recommend that you follow it regularly by either subscribing to its [RSS Feed](#) or to the [ECO 5315 Twitter page](#) (note that if you prefer to use Twitter, you need to first [setup your own Twitter account!](#)).

VII. ACADEMIC HONESTY & INTEGRITY POLICY

In business, ethics and integrity are critical components of long-term success. In this class, you are expected to act ethically and take responsibility for your own actions. You should review the [Baylor University Honor Code](#), since this standard will be applied to all of your work.