

**INTER AMERICAN UNIVERSITY OF PUERTO RICO
METROPOLITAN CAMPUS
FACULTY OF BUSINESS ADMINISTRATION
GRADUATE DEPARTMENT**

SYLLABUS

1. GENERAL INFORMATION

TITLE	BUSINESS ECONOMICS
COURSE	BADM 5020
CREDITS	3
PREREQUISITES	
ACADEMIC TERM	
PROFESSOR	
OFFICE HOURS	
OFFICCE TELEPHONE	
E-MAIL	

II. DESCRIPTION

Application of economic analysis in business decisions making at the executive level. It includes the study of the market system, production, costs, maximizing profit and competitive strategies. Analysis of current economic issues that affect decision-making and the complexity of the company in the local and international level.

III. OBJECTIVES

It is expected that upon completing the course, the student should be able to:

1. To improve the ability to think like an economist.
2. The student will be provided with a deeper understanding of consumer theory, theory of production and costs and the theory of the interaction of firms in markets, the basic tools of game theory within the framework of oligopoly theory and the economics of information.
3. Students will be encouraged to apply and manipulate, rather than merely assimilate, economic concepts and their empirical applications.
4. The students will understand why various theoretical representations of the consumer and producers possess certain mathematical properties and how to properly incorporate these properties in empirical models. Attention will also be given to the appropriate use of various theoretical

IV. CONTENT

A. DEMAND, SUPPLY AND MARKET EQUILIBRIUM

1. Demand
2. Supply
3. Equilibrium
4. Government intervention

B. ELASTICITY OF DEMAND

1. Elasticity: definition and measurement,
2. Price elasticity of demand
3. Income elasticity of demand
4. Cross elasticity of demand
5. Empirical Applications of elasticity

C. THEORY OF CONSUMER BEHAVIOR

1. The concept of Utility
 - a. Marginal Utility and “the law of diminishing marginal utility”
 - b. Maximization of Utility
2. Indifference Curves Model of consumer Behavior
 - a. Description of Indifference curves
 - b. The Budget Constraint’
 - c. Maximization of Utility
 - d Consumer Equilibrium
 - e. Income and substitution effect
3. Consumer behavior and its relation to demand
 - a. Derivation of consumer demand
4. The concept of consumer surplus

D. BASIC ESTIMATION TECHNIQUES

1. The simple regression model: Definition and Uses
 - a. Fitting the Regression Line
2. Testing for Statistical Significance
 - a. Performing a T- test for statistical significance
 - b. Using P-Values for statistical significance
 - c. Performing other tests

E. PRODUCER BEHAVIOR AND COSTS OF PRODUCTION

1. Production Function: Short and long run

2. Costs of Production: Short and long run

a. Cobb-Douglas Production Function

F. MARKET STRUCTURE

- A. Managerial Decisions in Competitive Market
- B. Managerial Decisions for Firms with Market Power
- C. Strategic Decision Making in Oligopoly Markets

V. ACTIVITIES

Computer Practice on regression analysis and inference on problems related to economic and Business issues.

Conference

VI. EVALUATION

Three tests and two sets of problems will be used to examine students' grasp of Business Economics (micro theory fundamentals). One exam will cover consumer's theory, the second exam will cover the theory of production and costs in the short and long run. The final exam will test students' understanding of the different market structures. The final may be comprehensive in nature.

Mid-Term

First exam	30%
Problems Sets	20%

Final

Final Exam	30%
Problems Sets	20%

Total100%

Grades

The following maximum grading scale is guaranteed:

90 - 100% = A

- 80 - 89% = B
- 70 - 79% = C
- 60 - 69% = D
- Below 60% = F

VII. SPECIAL NOTES

A. Auxiliary services or special needs

All students who require auxiliary services or special assistance must request them at the beginning of the course or as soon as they become aware that they need them, through the corresponding registry, in the Office of the Coordinator of services for students with disabilities, Dr. María de los Ángeles Cabello. She is located in the Counseling and Counseling Program, office 111, on the first floor of the John Will Harris building, extension 2306

B. Honesty, fraud, and plagiarism

Dishonesty, fraud, plagiarism and any other inappropriate behavior in relation to academic work constitutes major infractions sanctioned by the General Student Regulations. The major infractions, as stated in the General Student Regulations, may have as a consequence, suspension from the University for a definite period greater than one year or the permanent expulsion from the University, among others sanctions.

C. Use of electronic devices

Cellular telephones and any other electronic device that could interrupt the teaching and learning processes or alter the environment leading to academic excellence will be deactivated. Any urgent situation will be dealt with, as appropriate. The handling of electronic devices that allow students to access, store or send data during evaluations or examinations is prohibited

D. Compliance with the Provisions of Title IX

The Federal Higher Education Act, as amended, prohibits discrimination because of sex in any academic, educational, extracurricular, and athletic activity or in any other program or function, sponsored or controlled by a higher education institution, whether or not it is conducted within or outside the property of the institution, if the institution receives federal funds.

In harmony with the current federal regulation, in our academic unit an Assistant Coordinator of Title IX has been designated to offer assistance and orientation in relation to any alleged incident constituting discrimination because of sex or gender, sexual harassment or sexual aggression. The Assistant Coordinator Sr. George Rivera can be reached by phone at extension 2262 o 2147, or by e-mail griverar@metro.inter.edu.

The Normative Document titled **Norms and Procedures to Deal with Alleged Violations of the Provisions of Title IX** is the document that contains the institutional rules to direct any complaint that appears to be this type of allegation. This document is available in the Web site of Inter American University of Puerto Rico (www.inter.edu).

VIII. EDUCATIONAL RESOURCES

MAIN TEXT

S. Charles Maurice and Christopher R. Thomas., **Managerial Economics**, 13th Edition, MacGraw-Hill 2020.

IX. BIBLIOGRAPHY (OR REFERENCES)

Michael Baye and Jeff Prince, **Managerial Economics & Business Strategy**. 10th Edition, (International Edition), MacGraw Hill, January, 2020

Edwin Mansfield and Gary Yohe , **Micro Economics Theory: Basic Principles and Extension**, Cengage, 2017

Robert Pindyck and Daniel Rubinfeld, **Microeconomics**, 9th edition Pearson, 2018

Paul Krukman and Robin Wells, **Microeconomics**, Sixth Edition, Macmillan, 2021

Webster, Thomas J.. **Analyzing Strategic Behavior in Business and Economics: A Game Theory Primer**, AbeBooks, September, 2020

Gregory Mankiw, **Principles of Microeconomics**, Cengage Learning; 9th edition, 2020

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