

BUSML 6243 - Organizations, Markets, and Management

Autumn 2022

Instructor: Roger Bailey
Office: 560 Fisher Hall
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Class Schedule: Thursday 6:15pm - 7:45pm via Zoom
Recitation: 5:30 - 6:30pm Mondays, via Zoom
Office Hours: by appointment

Course Materials:

1. Textbook: *Managerial Economics*, Froeb, McCain, Shor, and Ward, 5th edition
 2. (Harvard Coursepack)
 3. Additional Materials posted on CARMEN (<https://carmen.osu.edu>)
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1 Overview

This course is designed to provide students with a way of analyzing and solving problems in business. This is achieved by looking at a wide variety of business problems through the lens of economics. Students will apply selected topics in economics in conjunction with concepts from business coursework to:

- Predict firm and individual behavior using the rational actor paradigm
- Correctly identifying the relevant costs associated with a decision or investment
- Identify opportunities to profitably consummate wealth-creating transactions
- Set optimal prices and price discrimination structures
- Predict industry-level changes using demand/supply analysis
- Develop long-run strategies to prevent profit erosion and to increase firm value
- Understand the general concepts behind unconstrained and constrained maximization
- Use elements of game theory to predict how actions influence those of others
- Analyze potential outcomes in uncertain environments
- Identify and solve problems caused by moral hazard and adverse selection
- Identify and solve principle agent problems within and between firms

Note that the above list is not a toolkit, it is an outline applying the economic way of thinking to different situations. Students will learn to think like economists, but as the purpose of this course is to train managers, discussion will often go beyond economic theory in recognizing its limitations and incorporating discussion of student experience, cases studies, strategy, data analysis, and other ideas.

Also note that this course is condensed, and it is very easy to fall behind. Students are strongly encouraged to work ahead when possible and to attend the optional recitation sessions if they are having trouble.

2 Requirements and Grading

Grades will be determined as follows:

Class Contribution	15%
Quizzes	20%
Team Problem Write-up	15%
Mid-Term Exam	20%
Final Exam	30%

In order to prevent grade inflation, the WP MBA Program Policy requires that no course exceeds a 3.6 grade point average. As such, grading in this course must be based on relative rather than absolute standards. Scaling is achieved using the average grade across all students, and grades will be set such that this average is at or below a 3.6. Note that grades below a B are not guaranteed or required for the course to meet the 3.6 average maximum. However, the final distribution of grades could include any grade throughout the A-E range depending upon student performance. Please be aware that low grades are all but guaranteed for students that do not fully engage with the course material. No extra credit or makeup work will be offered.

2.1 Class Contribution

Students are expected to be prepared for each of the synchronous class sessions, and contribution to classroom discussion is expected. Part of this preparation is to watch the associated videos and prepare answers for the subsequent questions. Synchronous discussion & practice sessions will cover textbook material, assigned readings/cases, and questions in the videos. Classroom discussion is necessary for the course to function well and every person must contribute. This is an opportunity for students to demonstrate that they have thought about the material and to clarify misunderstandings. Cold-calling will be used in this course, and contribution will be measured through a combination of instructor notes and peer evaluation. Peer review is completed by assigned reporters for each class session. Guidelines for effective class participation include

- Be willing to go beyond simple repetition of facts from the readings to include your own

analysis and conclusions. The risk of being “wrong” or controversial is far outweighed by value of the subsequent discussion.

- Be on point and pay attention. Your comments should be relevant to the ongoing discussion and connected with the ongoing discussion of peers.
- Be thoughtful in your comments. Discussion is meant to improve understanding, and insightful comments assist in exploring the topic deeply.
- Be able to incorporate and connect to material from past sessions. The coursework is cumulative, and hence the discussions should be cumulative as well.

Reporters will use these guidelines to assess comments made during each session, and these records will be used to supplement instructor notes. As participation is required, attendance in the synchronous sessions is mandatory. Note that asking questions before/after class via discussion posts will also count toward course participation. Having more than one unexcused absence, tardiness to class sessions, and inappropriate/disruptive behavior will result in a reduction in the class contribution grade.

2.2 Team Problem Writeup

Students should regularly consider ways to apply the course material to real world phenomenon. To motivate this, students will self-select into teams or 4-5 students and toward the end of the term each team will submit a writeup of “problems” (one for each team member). Each problem should consist of an article or other information source, a thorough description of the situation, and at least three questions requiring thoughtful analysis use of the course material. In cases where quantitative analysis is applicable, fictional data may be used provided this is explicitly noted in the problem. The writeup must also include a well-written solution to each question for each problem and a brief description of how each problem demonstrates the use of the material. These write-ups will be graded for accuracy, diversity of the material covered, relevance to the material, creativity, difficulty of the problems, and the quality of the write-up itself.

2.3 Homework

Students are encouraged to think/work through the end-of-chapter problems as they finish reading each chapter, but these homework problems will not be collected. Solutions will be provided on Carmen. Students are responsible in evaluating their understanding of the material through in-class discussion and completion of practice problems, and to ask questions accordingly.

2.4 Quizzes

There will be a weekly quiz over course content. These quizzes will be available after the associated synchronous discussion and practice session, and due by the following Monday. Quizzes are to be completed by each individual alone without outside help. This means no

other people, and no online searches. The textbook and notes are allowable. The quizzes are simply an opportunity to evaluate your knowledge of the textbook material before the exam. These quizzes are timed, and grades will be posted after the deadline for completion.

2.5 Exams

There will be a mid-term and a final exam in this course. These will consist of a battery of multiple choice questions followed by short answer questions. An online question and answer session will be provided for each exam.

3 Course Content Schedule

MBA 6243 - Organizations, Markets, and Management

Week/Module	Lecture	Textbook Readings	Subject
1			Read through Syllabus
1	1	Chapter 1,2	Analyzing Behavior and Creating Value
8/25/22			Synchronous Practice Session
2	2	Chapter 3	Considering Costs I
2	3	Chapters 4 and 5	Considering Costs II
9/1/22			Synchronous Practice Session
3	4	Chapter 6, 7	Monopolistic Pricing
9/8/22			Synchronous Practice Session
4	5	Chapter 8	Market Analysis
4	6	Chapter 9 and 10	Competition and Strategy
9/15/22			Synchronous Practice Session
5	7	Chapter 11	Exchange Rates and Trade
9/22/22			Synchronous Practice Session
6	8	Chapter 12	Additional Topics in Pricing
6	9	Chapter 13 and 14	Price Discrimination
9/29/22			Synchronous Practice Session
7		No Text Readings	Mid-Term Review
10/6/22			Mid-Term Exam
8	10	Chapter 15	Basic Game Theory
10/13/22		No Class - Fall Break	
9		No Text Readings	Game theory Practice/Review
10/20/22			Synchronous Practice Session
10	11	Chapter 16	Repeated Games and Bargaining
10/27/22			Synchronous Practice Session
11	12	Chapter 17 and 18	Dealing with Uncertainty
11/3/22			Synchronous Practice Session
12	13	Chapter 19 and 20	Risk and Information Asymmetry
11/10/22			Synchronous Practice Session
13	14	Chapter 21 and 22	Principle Agent Problems
11/17/22			Synchronous Practice Session
14	15	Chapter 23	Principle Agent Problems and Vertical Relationships
12/1/22			Synchronous Practice Session
TBD		FINAL EXAM	

4 Communication

The best way to contact me outside class is via email. Students may always come to the recitation room for questions about course material. To discuss other matters, or to see me at another time, please ask me for an appointment in person or via email. I will use Carmen and email to share information outside of class.

5 Grade Appeals

Grades on exams and the problem writeup are intended to reflect the student performance. If you believe that a grade does not reflect the quality of your performance you have the option to appeal the grade. To do so, **submit a written explanation of your reasoning within one week after the return of your assignment or exam.** This document need not be long, but must clearly identify the issue. Grade appeals must be submitted in writing, and will not be accepted after the deadline of one week. I do carefully consider all grade appeals, but note that I will typically re-grade the entirety of the exam or writeup.

6 Honor Code

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's Code of Student Conduct and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's Code of Student Conduct and this syllabus may constitute "Academic Misconduct."

The Ohio State University's Code of Student Conduct (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's Code of Student Conduct is never considered an "excuse" for academic misconduct, so I recommend that students review the Code of Student Conduct, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that a student has violated the University's Code of Student Conduct (i.e., committed academic misconduct), the sanctions for the misconduct could include a

failing grade in this course and suspension or dismissal from the University.

In this course, it is also expected that each student will behave in a manner that is consistent with the Fisher Honor Statement, which reads as follows: “As a member of the Fisher College of Business Community, I am personally committed to the highest standards of behavior. Honesty and integrity are the foundations from which I will measure my actions. I will hold myself accountable to adhere to these standards. As a future leader in the community and business environment, I pledge to live by these principles and celebrate those who share these ideals.”

7 Students with Disabilities

Any student who feels he or she may need an accommodation based on the impact of a disability should contact me privately to discuss specific needs. Please contact the Office of Student Life Disability Services at 614-292-3307 in room 098 Baker Hall to coordinate reasonable accommodations for students with documented disabilities. It is the student’s responsibility to discuss this with me well in advance of an assignment due date or exam.
