

**BIZ 202 Microeconomic Foundations
For Business Planning
The James F. Dicke College of Business Administration
Ohio Northern University**

Spring 2009-2010

Instructor: Kazuhisa Matsuda, Ph.D.

Office: Room 124, Dicke Hall

Office Hour: 12:00 – 13:00 and 16:00 – 17:00 on MWRF

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Class Schedule

Course	Days & Time	Room
BIZ 202-01, CRN: 32290	MWRF 1:00 – 1:50 PM	DI 230
BIZ 202-02, CRN: 32291	MWRF 3:00 – 3:50 PM	DI 230

College Mission Statement:

Students in the James F. Dicke College of Business Administration discover and develop their passions and pathways for becoming business and community leaders in a changing world. Within an intimate, collaborative, and values based environment, the College emphasizes experiential learning, global interdependence, entrepreneurial spirit, technological literacy, applied research, and community involvement.

Course Objectives:

This course is designed as an introductory to medium level microeconomics principles course for economics, business, marketing, and accounting majors. No prior knowledge of economics is necessary for this course although it is very helpful. Emphasis is equally on both the fundamental concepts of microeconomics and their applications. Students are expected to develop the ability to apply the basic concepts to the business settings in the real world through numerous application problems and case studies. Students are required to work as a team in many case studies because of the importance of the ability to be a member of a team and contribute to the team like any other corporate settings.

Broadly speaking, this course consists of five parts. Part 1 introduces what economics is all about. You will learn four principles of individual choice, covering concepts such as opportunity cost, marginal analysis, and incentives; and five principles of interaction between individuals; covering concepts such as gains from trade, market efficiency, and market failure. You will start analyzing the world like economists do by using three models – the production possibility frontier, comparative advantage and trade, and circular flow diagram. Part 2 covers the standard microeconomics topics such as the theory of supply and demand, market equilibrium, various types of market interventions

and their consequences, and various elasticity measures. Part 3 covers how markets increase welfare using such concepts as market efficiency and deadweight loss. You will be also familiar with opportunity cost, marginal analysis, and sunk cost. In Part 4, the class deals with the theory of firm behavior by developing the production function and the various cost measures of the firm. Other topics include the output decision of the perfectly competitive firm, firm's entry/exit decision, the industry supply curve, and the equilibrium of a perfectly competitive market. Part 5 treats the theory of consumer behavior by the use of the budget line, the optimal consumption choice, diminishing marginal utility, income and substitution effects, and indifference curves. In Part 6, we go beyond perfect competition to monopoly and monopolistic competition, oligopoly, and product differentiation.

Required Text:

Title: Microeconomics 2nd Edition
 Author: Paul Krugman & Robin Wells
 Publisher: Worth Publishers
 ISBN-10: 0716771594
 ISBN-13: 9780716771593

Course Grades:

In terms of exams, you will have two midterm exams and one final exam. Other components of your grade include series of team assignments, class participation, and the attendance.

Grade Component

	Date	Time	Weight	Cumulative
Midterm Exam 1	April/2/Friday	50 m	26%	Yes
Midterm Exam 2	April/23/Friday	50 m	26%	Yes
Others			20%	
Final Exam	See below.	120 m	28%	Yes

Final Exam Schedule

Course	Day & Time
BIZ 202-01: 1:00PM	May/17/Monday/10:30-12:30
BIZ 202-02: 3:00PM	May/20/Thursday/4:00-6:00PM

*This is a temporary schedule. The instructor reserves the right to change the grading schedule and the midterm exam dates by his discretion.

*I expect regular class attendance and participation throughout the semester in compliance with ONU Catalog.

Grading Scale:

A = 90-100
B = 80-89
C = 70-79
D = 60-69
F = 59 and below

CBA Policy:

Messy or poor quality written work containing numerous errors in grammar, syntax, spelling, typos, etc. will receive substantially lower points. The instructor reserves the right to give an “F” for an assignment with excessive typos/mechanical errors/spelling errors.

Team Works:

- Wall Street Journal article presentation & question.
- WSJ quiz.
- Weekly chapter-end questions.
- Stock trading game.
- Visit <http://www.maxmatsuda.com> for more details.

Make-up Exam Policy:

Make-up exams will be allowed only in extenuating circumstances. Every effort should be made to take the test as scheduled. All make-ups must have the instructor’s approval.

Disabilities:

Students requiring particular accommodations because of physical and/or learning disabilities should contact their Dean’s office prior to the end of the first week of classes. That Dean’s office is then required to make contact with your instructor. If you have any questions, please feel free to speak with me.

Academic Honesty:

Academic policies as stated in the student code will be strictly enforced. (See Appendix C, Code of Student Academic Conduct, of the Student Code of Conduct.)

Course Outline & Required Readings:

Part 1: Introduction to Microeconomics

Chapter 1: First Principles of Microeconomics

Chapter 2: Economic Models: Trade-offs and Trade

Part 2: Supply, Demand, Equilibrium

Chapter 3: Supply and Demand

Chapter 4: Consumer and Producer Surplus

Chapter 5: The Market Strikes Back

Chapter 6: Elasticity

Chapter 7: Taxes

Part 3: Producer's Theory

Chapter 9: Making Decisions

Chapter 12: Behind the Supply Curve: Inputs and Costs

Chapter 13: Perfect Competition and the Supply Curve

Part 4: Consumer's Theory

Chapter 10: The Rational Consumer

Chapter 11: Consumer Preferences and Consumer Choice

Part 5: Market Structure: Beyond Perfect Competition

Chapter 14: Monopoly

Chapter 15: Oligopoly

Chapter 16: Monopolistic Competition and Product Differentiation

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