Sofaer Global MBA

1238.2210.01

Introduction to Microeconomics

Module 3 – 2021-2022

Prerequisites: Students should be familiar with **calculus** as this is an extremely useful tool for analyzing economic models.

Course Section Details

Day	Hour	Lecturer	Email	
Thursday	13:15 – 15:45	Ido Eisdorfer	ido_e@hotmail.com	Module 3

Office Hours: by appointment

Tutorial

Day	Hour	TA	Email	
Thursday	8:30 – 9:45	Yosi Ganel	ganel@tauex.tau.ac.il	Module 3

Office Hours: TBD

Course Units

1 course unit: 4 ECTS.

The ECTS (European Credit Transfer and Accumulation System) is a framework defined by the European Commission to allow for unified recognition of student academic achievements from different countries.

Course Description

Microeconomics is concerned with the behavior of consumers and firms, acting and interacting in different industries and in various competitive environments. The course will build on economic principles to introduce concepts and tools that are vital to managerial and business decisions.

Course Objectives

Upon course completion, you will be able to:

1. Critically assess a firm's competitive environment.
2. Integrate cost and demand considerations into pricing decisions.
3. Apply integrative economic reasoning when faced with business decisions.

Assessment and Grade Distribution

Percentage	Assignment	Date	Group Size/Comments
30%	6 Problem sets	Each week from 2nd week	1-2 students, 5 points each exercise**
20%	1-2 Study cases		1-2 students, 10 points each case**
50%	Final exam		

*According to University regulations, a student must be present in every lesson (Article 5).
* The lecturer reserves the right to have a student removed from a course if the student is absent from a class with mandatory participation or did not actively participate in class. (The student will remain financially responsible for the course irrespective of his/her removal from the course).
** The assignments and study cases weights may be changed with in the limitation of 50% from the grade.

Course Assignments

Problem Sets: There will be 6 problem sets during the course. You should hand them in before the relevant class. For example, the problem set posted after the first meeting should be submitted at the beginning of the second meeting. Submitting each problem set is worth 5 points towards the final grade.

> Should a student become unable to complete an assignment or course requirement, s/he must notify the TA of the course in advance via email

Grading Policy

As of the 2008/9 academic year the Faculty has implemented a grading policy for all graduate level courses. This policy applies to all graduate courses in the Faculty and will be reflected in the final course grade. Accordingly, the final average of the class for this course (which is a core course) will fall between 78-82%.
Additional information regarding this policy can be found on the School website.

Evaluation of the Course by Student

Following course completion students will participate in a teaching survey in order to evaluate the instructor and the course.

Course Site (Moodle)

The course site will be the primary tool used to communicate messages and material to students. It is therefore recommended to periodically check the course site in general, periodically, before each lesson, and at the end of the course. (For example: exam details and updates regarding assignments). Course slides will be available on the course site. Please note that topics not covered in the slides but discussed in class

are considered an integral part of the course material and may be tested in examinations.

Tentative Course Outline- Module 3

	Week / Date	Topic	Besanko (B&B), Bernheim (B&W) and Kreps (K) recommended	Readings: Acemoglu, Laibson, List (ALL) – required -	Problem Sets (Due Date)
(1)	Week 1:	Introduction + Cost function	Ch. 1 (B&B), Ch. 1 & 3.1-3.2 (B&W), Ch. 1 (K)	Ch. 1,3 (ALL),	
(2)	Week 2:	Cost function + Demand + Monopoly	Ch. 6.1-6.2, 6.5, Ch.7, Ch. 8.1-8.2 (B&B), Ch. 7.1-7.4 & 8.1-8.8 (B&W)	Ch. 6.1-6.3, Ch. 11 (ALL),	Problem set 1
(3)	Week 3:	Monopoly	Ch. 11.1-3, 11.5-6 pp. 159-161 (B&B), Ch. 9.1-9.2, 17.1 -17.5 pp.178-181 (B&W)	12.1-12.4, 5.4 (ALL),	Problem set 2
(4)	Week 4:	Monopoly + Price Schemes	Ch. 12.1-12.5 (B&B), Ch. 18 (B&W), Ch. 7 (K)	12.6 (ALL),	Problem set 3
(5)	Week 5:	Oligopolistic Markets	Ch. 13.1-13.4 (B&B), Ch. 19.1-19.5 (B&W)	Ch. 13.1-13.3, 14.1-14.2 (ALL),	Problem set 4
(6)	Week 6:	Oligopolistic Markets			Problem set 5
(7)	Week 7:	Perfect Competition	Ch. 9 (B&B), Ch. 14 (B&W)	Ch. 7 (ALL),	Problem set 6

Ethics Related Issues

The Coller School of Management views the discussion of business ethics issues as an integral part of all its mandatory courses for MBA students. In this course, we will examine this by asking when firms set prices, what considerations they should take – other than profit maximizing? When price discrimination is not legitimate?

Required Reading

- **Economics (Global edition),** Daron Acemoglu, David Laibson, John List (ALL)

Recommended Reading (available in the library)

- **Microeconomics**, Douglas Bernheim and Michael Whinston (B&W)
- **Microeconomics: An Integrated Approach**, David Besanko and Ronald Braeutigam
- **Microeconomics for Managers** by David M. Kreps (K)