

# Syllabus

## Business Economics

- **Instructor:** Marc Kaufmann (see last page for bio sketch)  
Email: [KaufmannM@ceu.edu](mailto:KaufmannM@ceu.edu)  
Office: N13/402  
Office Hours: by appointment
- **Credits:** 2 (4 ECTS)
- **Term:** Winter 2017-2018
- **Course level:** MA/MSc/MBA
- **Prerequisites:** None

### Course description

This course teaches the fundamentals of microeconomics – individual optimization and demand, firm profit maximization and supply, market equilibrium – by applying them to different settings. We start off with simple consumption goods with fixed supply to understand the role of exchange and prices. Then we will extend these ideas to externalities, the role of the firm, specialization in production, and monopolists. If time permits, we will look at some of uncertainty, personnel management (incentives and asymmetric information), and the labor market. This will be done by solving exercises, problems, and writing a more in-depth analysis on topics chosen by students.

### Learning outcomes

At the end of the course, students should have developed an intuitive understanding of the fundamental tools of microeconomics, be able to apply them quantitatively in their day-to-day life – at work or at home – including how to make the best use of this way of thinking.

You should be able to *think like an economist*, and (hopefully) you will *want* to think like an economist.

### Reading list

All course materials will be distributed electronically on the Moodle e-learning website. The main textbook from which the material is drawn is “Exchange and Production: Competition, Coordination, and Control” by Armen A. Alchian and William R. Allen – referred to as **AA** from now on. Since this book is out of print, I will upload any readings that are relevant to Moodle.

A textbook with a quite different approach is “Microeconomics and Behavior” by Robert H. Frank – it may be useful if the explanations I provide or in AA don’t work for you. “The Applied Theory of Price” by Donald McCloskey ([Link to \(large\) pdf](#)) is more advanced than AA, but similar in style and approach.

## Assessment

- In-class exam on February 14<sup>th</sup>, 18:00-19:30: 30%
  - o The exam will be paper-based, closed book.
  - o It will be partially like the in-class quizzes, partially like the in-class and homework problems.
- In-class quizzes/attendance: 10%
  - o You will receive the full grade if you *take* the quiz in class
  - o You can miss one quiz without losing points
  - o You lose points for missing more than one quiz, unless you have talked to me about the reason for missing multiple quizzes.
  - o You will receive a score and feedback, so that you know which questions you got wrong.
- Homework problems:
  - o 5%: for handing in the problem sets.
  - o 5%: for evaluating your own problem set based on the answers I provide after your submission.
- Economic Naturalist assignments: 50%
  - o 10%: You will provide feedback to your classmates on their assignments.
  - o 10%: For handing in the (roughly) weekly assignments.
  - o 30%: We (a grader and I) will grade the final assignments, **due by February 10<sup>th</sup>, 23:55.**

## **Course schedule and materials for each session**

There will be six classes, including the final class which is the exam. Each class will consist of a quiz at the beginning, a brief comment on feedback received, a mini-lecture by me on a new topic, followed by a series of activities including problem-solving, working on a *specific* aspect of your *Economic Naturalist* assignments, and mini-experiments. The lecture ends with a survey.

### **Brief Bio of the Instructor**

Marc Kaufmann is Assistant Professor at the Department of Economics and Business. While he started his PhD at UC Berkeley, he completed his PhD at Harvard University. Marc's research focuses on integrating insights from psychology into economics and applying these insights to education and personnel economics.

Before his PhD, Marc studied Mathematics (successfully), tried to stop climate change by 2013 (less successfully), worked as part-time web developer, and later as an assistant to a Member of the European Parliament.