



Course Information	
Course Title : ECON304	Semester : Summer 2019
Economics of Business Strategy	
Class Hours: Monday through Friday, 180 minutes each day, each week there will be a one-hour discussion session; the Instructor will also be available by appointment.	
Discussion Section: One hour each week	Field Trip: According to professors' teaching plan
Textbooks and Reference	
Required Text: The assigned text is: <i>Economics of Strategy</i> 6 th Edition by D. Besanko, D. Dranove, S. Schaefer, M. Shanley. John-Wiley and Sons, 2013.	
Course Outcomes	
<p>Upon successful completion of this course, students should be able to:</p> <ul style="list-style-type: none"> • Use principles of economics and microeconomic theory to analyze strategic issues faced by managers as strategists in modern business enterprises. • Appreciate the inherent strengths and limitations of using economic theory in managing a business. • Have an understanding through use of economic theory as to why business follows particular strategic decisions in different industries. • Demonstrate the ability to articulate and assess problems based on the modelling framework used in the course to appreciate a strategy/structure relation. 	
Course Description	
<p><i>Economics of Business Strategy</i> utilizes the tools of microeconomic theory to help the manager as strategist analyze, formulate, and implement strategy at the firm level. Students will learn and demonstrate an understanding of critical aspects related to these areas such as issues faced by strategic leaders in making decisions on pricing, products development/diversification. An economic way of thinking will be used throughout the course in terms of providing useful analytical frameworks and techniques in strategy optimization.</p>	



Weekly Schedule (July 1st –July 19th)		
Week	Day	Topic
1	1	Part One: Firm Boundaries Ch 1 The Power of Principles: An Historical Perspective
	2	Ch 2 The Horizontal Boundaries of the Firm Economies of Scale and Scope
	3	Ch 3 The Vertical Boundaries of the Firm Make Versus Buy Decision-Making <i>In-class Quiz 1</i>
	4	Ch 4 Integration and Alternatives
	5	Ch 4 (Cont'd)
2	1	Part Two: Market and Competitive Analysis Ch 5 Competitors and Competition <i>Measuring Market Structure</i> <i>Perfect Competition, Monopolistic Competition, Oligopoly, Monopoly</i> <i>Cournot's Model</i>
	2	Ch 6 Entry and Exit Barriers to Entry and Exit An Entry Deterrence Checklist for Practitioners
	3	Ch 7 Dynamics: Competing Across Time <i>Essay (500-600 words) Due</i>
	4	Ch 8 Industry Analysis
	5	MID-TERM EXAM
3	1	Part Three: Strategic Position and Dynamics Ch 9 Strategic Positioning for Competitive Advantage Value Creation/Value Chain/Resource-Based View of the Firm
	2	Ch 10 Information and Value Creation <i>In-class Quiz 2</i>
	3	Ch 11 Sustaining Competitive Advantage
	4	Ch 13 Strategy and Structure
	5	FINAL EXAM

Grades are based on the following breakdown:

Attendance/Participation:	10%
Mid-Term Exam:	30%
Two In-class Quiz:	10%
Essay:	10%
Final Exam:	40%
Total	100%



Homework, Class Attendance, and Participation:

Students are required to attend all classes and participate actively. Students should treat their classroom obligations as they would treat any serious professional engagement. Your participation grade (10% of the total course grade) will be based on the instructor's assessment of how well you contribute to classroom dynamics relative to your class peers; each class member is expected and encouraged to contribute to the dialogue or discussion.

It is important that you read the assigned readings as background information on the issue/topic *before* each class session. The classroom will provide you an opportunity to present your views and opinions on the topics under discussion, and to help you refine your knowledge and perspective based on these interactions.

Please note the following: In case of an absence, the student is responsible for the materials and assignments for that class; it is the student's responsibility to contact the course Teaching Assistant regarding absences and assignments that are missed. Students must submit a one-page write-up summarizing any assigned textbook chapter reading for each missed session; this will be due within one week of the missed session. Unexcused absence from five or more scheduled class sessions (which is a total of 33% of this course) will be *grounds for failure*. If you do have to miss class due to a personal emergency, please let the Teaching Assistant know as soon as possible. Such emergencies will be dealt with on a case-by-case basis.

Participation grades will be based on quality (in-class performance that reflects intellectual depth, insightfulness, and contribution to class learning) and quantity (consistency and regularity of performance). Quality counts more. However, one cannot make quality comments without at least some degree of participation, so in this respect quantity will have some weight. But do keep in mind the following when considering your participation in class discussions: sometimes it's better to remain silent and have others think you are unprepared or a bit dim, rather than speaking out and confirming those suspicions.

Accordingly, you are expected to come fully prepared and ready to participate for every class. Be prepared to be called upon to "open" a class discussion by presenting your full analysis and thoughts on the assigned topic at the start of class, or to be asked through a "cold call" for comment in the midst of the discussion.

The grading of class participation is necessarily a subjective exercise. However, high-quality comments have one or more of the following characteristics: **(1) insightfulness, (2) appropriate application of course concepts, and (3) advancement of the in-class discussion at hand.**



Some specific criteria for evaluating discussion contributions are:

- Does the student demonstrate an eagerness to participate?
- Is the student a good listener? Does he/she build on others' comments?
- Is the student willing to interact with other class members?
- Are the points made relevant to the discussion? Are they linked to others' comments?
- Do comments demonstrate evidence of in-depth analysis of the case?
- Do comments add to our understanding of the situation?
- Do comments make a substantive contribution to the advancement of our analysis?
- Is there a willingness to test new ideas, or are the comments "safe?"
- Do comments show an understanding of concepts or analytical techniques properly applied to the current situation?
- Is the student presenting insightful quantitative analysis (when required)?
- Is the student demonstrating ethical considerations and insights?

EXAMINATIONS

An in-class mid-term examination will be administered during the middle of Week 2, and an in-class final examination will be administered at the end of the course. Details of content, exam format, etc. will be announced in class well before the examination dates.

ESSAY

Each student must submit an essay (500-600 word length) at week two, on a given topic (drawn from a set of alternatives) provided by the instructor. The topics for the essay will be provided on the 2nd day of week one.

TWO IN-CLASS QUIZZES

Students will be given two in-class quizzes. The first one is on the first week and the second one will be on the last week.

Upon completion of this course, you receive a final grade. A final grade is a letter grade that carries with it a numerical value, as outlined below.

Grade	Percentage
A	80-100
B	70-79
C	60-69
D	50-59
E	0-49

Academic Integrity

The academic ethics codes of the school are applied in this class. Any egregious violations of the code, such as cheating on examinations or submitting written work

that is not original with the student, will be grounds for failure in this course. You may consult with appropriate university officials for details regarding the code.

Disability Accommodation

Any student who needs special accommodation due to the impact of a disability should contact the instructor and/or the university within the first week of the class.