

Business Economics

Course Descriptions

The goal of this course is to teach students to understand how agents interact in the market from an economist's perspective. After reviewing basic microeconomic tools, we cover a wide range of interesting topics (listed below) with applications to various real-world business issues.

Basic Information

- Instructor: Zhenda Yin (xhenda@situ.edu.cn)
- Lecture: Tuesday 18:00-20:20, week 1-2 and 6-16 @New Upper Hall S207
- Office hour: TBA

Tentative Outline

1. Introduction to the course
 - a. Course overview, and a digression to utilizing the GhatGPT to study economics
2. Review of basic microeconomics
 - a. Demand, supply, and partial equilibrium
 - b. Economic agents and their behavior: consumer theory and producer theory
 - c. Market structure: monopoly, oligopoly, and game theory
3. Market interventions (with applications to environmental protection)
 - a. Externality, direct regulations, corrective taxations, property rights, and cap-and-trade
4. Advanced topic I: Information economics
 - a. Adverse selections, signaling, and moral hazard
 - b. Applications to human-resource management
 - c. Auctions, matching, and information cascades
5. Advanced topic II: Online platforms
 - a. Introduction to platform economics
 - b. Ratings, recommendations, and the use of big data
 - c. Network goods
 - d. Growing a platform, platform pricing, and platform design

References

Below is a list of optional textbooks for the course. The lecture materials are self-contained.

Basic microeconomics:

- “Principles of Economics” by Karl Case, Ray Fair, and Sharon Oster
- “Managerial Economics and Business Strategy” by Michael Baye and Jeffrey Prince

Special topics:

- “Public Finance and Public Policy” by Jonathan Gruber
- “Personnel Economics” by Peter Kuhn
- “Economics of Platforms” by Paul Belleflamme and Martin Peitz
- “Networks, Crowds, and Markets” by David Easley and Jon Kleinberg

Assessment

Class participation 10%

- Attendance (missing 1/3 of classes or more results in automatic failure of the course)
- Classroom manner and engagement in discussions

Assignments 20%

- Two written assignments during the semester
- Collaboration is encouraged, but submissions must be individual
- Grades: Missing, Check, Check+, Check++

Quizzes for the basic material 40%

- Two in-class quizzes during the semester
- 20% each, open book
- Date: TBD

Group presentation for the advanced material 30%

- Every two students form a group, which gives a 20-minute presentation
- Date: the end of the semester