

Course title	Business Economics				
Responsible person to enter grades	TRIEBS Thomas			開講区分	単位数
				1st semester	2.0
Numbering Code	J2ML600	Day・Period, etc.	Other(対面)	Timetable Slot Code	1J391
Lesson topic					
Microeconomics for Business					
Lesson target					
This course introduces students to microeconomics, and some economics of industrial organisation. It covers utility maximization and demand; profit maximization and supply; market equilibrium in the short and long run; oligopoly and game theory; information and externalities. The course will highlight how the differen theories inform business strategy.					

Syllabus and plan

Session 1

Introduction to demand and supply using an in-class game (trading in the pit). Introduction to economic modelling. Economic decisions: opportunity costs, and economic rents and incentives; Comparative advantage, specialization, and markets; Firms, technology and production; Economic models: How to see more by looking at less.

Relevance for firm strategy: e.g. reduce cost through innovation, management as an input, pricing mark-ups and demand elasticity.

The Economy 2.0: Microeconomics: Units 1, 2. L: 2.2.1, 3.1.3

Session 2

This session looks at consumer behaviour and introduces the model of utility maximization. It shows how individual demand is derived from it and highlights the relevance of demand elasticity. It applies the model to an individual's labour supply decision.

Relevance for firm strategy: e.g. decrease demand elasticity through marketing, price discrimination, how is the firm's hiring affected by labour regulation, e.g. minimum wage, universal income?

Readings:

The Economy 2.0: Microeconomics: Units 3. L: 3.4.1, 3.5.1, 3.7.1, 7.8.1

Intermediate Microeconomics: Chapters 2-6, 8

Session 3

This session introduces game theory and Nash equilibrium.

Relevance for firm strategy: Strategic interaction, e.g. price setting in non-competitive markets.

Readings:

The Economy 2.0: Microeconomics: Units 4.

Intermediate Microeconomics: Chapters 29-30

Session 4

The firm. Incomplete contracts, principal and agent.

Relevance to firm strategy: how to manage a firm?

Readings

The Economy 2.0: Microeconomics: Unit 6

Why Do Management Practices Differ across Firms and Countries? Nicholas Bloom & John Van Reenen, Journal of Economic Perspectives, vol. 24, no. 1, Winter 2010

<https://www.aeaweb.org/articles?id=10.1257/jep.24.1.203>

Intermediate Microeconomics: Chapter 27, 38

Session 5

Technology, profit maximization and market power

Relevance to firm strategy: how to set prices correctly depending on the market structure

Readings

The Economy 2.0: Microeconomics: Unit 7. L: 2.7.1, 3.1.1, 3.1.2., 7.3.1, 7.4.1, 7.5.1, 7.6.1

Intermediate microeconomics: Chapters 19-23

Session 6

Competitive market equilibrium and cartels

Readings

The Economy 2.0: Microeconomics: Unit 8.

Intermediate Microeconomics: Chapters 16, 28

Session 7

Market failure: externalities and asymmetric information

Readings

The Economy 2.0: Microeconomics: Unit 8. L: 12.1.1, 12.3.1

Intermediate Microeconomics: Chapter 35, 38

Session 8

Revision

Exam

Details: tbd

Evaluation method

Exam

Evaluation baseline

n/a

Notice (include info. on related class)

This course is offered primarily to the students of KIMAP in Management, and any other students are required to obtain an advanced permission from the administration of the Graduate School of Business Administration to register this class. Note that application might not be accepted when number of application is over the capacity of the class.

Review and preparation

Revise the relevant maths for algebra and calculus (see syllabus: "Maths revision")

Office hour · Contact information

Contact: t.triesbs@lboro.ac.uk

Message for student

Improvements in Teaching

Text

The Economy 2.0 Microeconomics

<https://www.core-econ.org/the-economy/microeconomics/0-3-contents.html> / : , , ISBN:

Intermediate Microeconomics / Hal Varian : Norton , 9th edition (or simi , ISBN:

Reference Material

n/a

Classroom Language

English

Keywords

Microeconomics