Class: MW 12:30 to 1:45 PM in Bunche 1209B.  
Office and Office hours: TBA  
e-mail: mcdevitt@econ.ucla.edu  

Course Description: Application of economic principles to business decisions. Topics include various pricing strategies, strategic behavior, allocating joint costs & multiproduct pricing, multiproduct firms & linear programming, allocating fixed costs in a multiproduct firm, auctions and bidding. Some extra credit problems will require the use of Excel's Solver (background knowledge of Excel is not required, I will explain it what you need to know).

Study Questions: Study questions with the solutions will be provided. They can be found on the course website at https://moodle2.sscnet.ucla.edu/course/view/17F-ECON106P-1

Textbook: There is no textbook for the class but I will periodically post old notes.

Grading: Your grade will be based on the following:  
1. Midterm one-October 18th (Wednesday) -20%  
2. Midterm two – November 15th (Wednesday) -30% 
3. Final exam is December 15, 2017 Friday 3pm-6pm- 50%

LIST OF TOPICS

1. Oligopoly Models: Cournot, Bertrand (identical vs. non-identical firms), Stackelberg; Conjectural Variations, Implicit cartel agreements, Dominant Firm Model
2. Game Theory (one-shot vs. repeated games, simultaneous vs. sequential games, mixed strategy, bargaining games)
3. Optimal Pricing with Market Power (elasticity & pricing, optimal markup pricing)
4. Optimal Pricing with Market Power: Price Discrimination (topics include: 3rd-degree price discrimination, two-part tariffs under identical and non-identical consumers, perfect price discrimination & all-or-nothing pricing, block-pricing, bundling). Although you may have covered some of these topics elsewhere, the discussion will be much more detailed here.
5. Transfer Pricing for upstream and downstream divisions in a firm
6. Linear Programming, Shadow Price, Applications (extra credit problem with Excel)
7. Auctions and Bidding: English Auction, Dutch Auction, First-Price Sealed Bid Auction, Second-Price Sealed Bid Auction, Revenue Equivalence Theorem
8. Costs and Allocation of Joint Costs, Multiproduct pricing, Allocation of Fixed Costs

EXAM RULES: ALL exams must be taken at the scheduled time. EPlease note that calculators are NOT allowed for the exams. You will NOT be allowed to have cell phones or any other electronic devices on your desk during the exam. Once the exam begins, you will not be allowed to leave the room until you hand in your exam, so please plan accordingly. All backpacks should be zipped closed and all books put away. Failure to do so will delay the distribution of the exams for the entire class. All the students should have on their desks is a pen/pencil (s) and their photo ID card (which functions as a straightedge for drawing graphs).

POLICY ON MISSED EXAMS: If a student has a valid medical excuse and can provide documentation of such an excuse, or if the student has received prior permission (at least one week in advance of the exam) to miss an exam from the instructor, then additional weight will be placed on the final exam. Prior permission to miss an exam is only granted for serious and compelling reasons. A student who misses an exam without a valid medical excuse or without receiving prior permission will receive a zero.
DISABLED STUDENTS and the OFFICE of STUDENT DISABILITIES (OSD): Any student with a pre-existing illness or condition who requests special arrangements must (a) qualify under OSD rules for such special arrangements and (b) must take the exam with OSD. Any such arrangements with OSD must be made the first week of classes. The instructor must be informed of any such arrangement in the first week of classes. For additional information and the qualification conditions of the Office of Student Disabilities (OSD), please visit their website at http://www.osd.ucla.edu/Index.htm. All other students must take the exam at the scheduled time under the same time constraints. It is the responsibility of all students who request special arrangements with OSD to be familiar with all of their rules as well as the rules of this class.

ACADEMIC DISHONESTY
Any cases of cheating will be reported to the Office of the Dean of Students. For more details please refer to the Office of the Dean of Students website at http://www.studentgroups.ucla.edu/dos/