

UC Berkeley
Haas School of Business
Economic Analysis for Business Decisions
(EWMBA 201A)

Course Outline

Contact information

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Location and time

09:00-13:00 (break 10:50-11:10) / 14:00-18:00 (break 15:30-16:10)

Aug 15	Berkeley	Sep 19	Berkeley
Aug 22	Berkeley	Sep 26	Berkeley
Aug 29	Santa Clara	Oct 3	Santa Clara
Sep 12	Santa Clara	Oct 10	Berkeley

No Class on Sep 5 (Labor Day Holiday). The final exam will be held on Oct 10.

Office hours

Office hours will be held after class. Skype office hours by appointment

- Tue 21:00-23:00
- Thu 21:00-23:00

You can also e-mail me any question, and I will try to respond promptly.

There is no GSI for the course so please use me as such! I would also be happy to discuss with you any issues beyond the course work, not necessarily of microeconomic substance.

Reading material

The only required (and recommended) textbook for the course is:

Microeconomics (7th edition) by Robert Pindyck & Daniel Rubinfeld (henceforth PR).

The book presents the main topics a level (almost) suitable for our purposes. There are also many more excellent books around.

Lecture notes by Professors Davidoff & Hermalin (*Lecture Notes for 201A*) match some of the topics covered in this course (study.net).

Some additional readings (cases!) will be made available through the course website and in class.

Problem sets

The course will rely heavily on problem sets. Each week a problem set will be assigned and will generally be due the following week.

The problem sets are meant to be learning tools and thus will not be counted for the course grade. All questions in the problem sets are a required material.

Many of the questions will be assigned from PR. Please work on the problem sets with each other (and with me). Complete answer keys will be distributed.

Grading and exams

Grading will be based *only* on a take-home midterm (40%) and an in-class final (60%). The final exam will be closed book. Exams will be based on problem set type questions.

In the event that your midterm will have a grade lower than your final, the midterm exam will not be used and instead the final exam will count for 100% of your grade.

The core grade distribution is:

<i>A</i>	15%		<i>B</i>	20%
<i>A-</i>	20%		<i>B-</i>	15%
<i>B+</i>	25%			

Tentative outline

- Module I (Aug 15)

The economic agent (PR ch. 3)

→ Standard economics vs. behavioral economics.

- Module II (Aug 22)

Choice under uncertainty (PR ch. 5)

→ Expected Utility Theory vs. Prospect Theory.

- Module III (Aug 29 & Sep 12)

Game theory (PR ch. 13)

→ Strategic interaction among firms.

- Module IV (Sep 19)

Competitive markets and economic efficiency (PR ch. 16)

→ Greed got us into this mess and greed will get us out?!

- Module V (Sep 26)

Information (PR ch. 17)

—→ Moral hazard and adverse selection.

- Module VI (Oct 2)

Conclusion, takeaways and review.

Class representatives

The EWMBA Program Office requires selecting (or electing) two class representatives. Tasks include:

facilitating communication between students and faculty and conducting mid and final course evaluations.

Bonus: periodic e-mails from the Program Office regarding evaluation procedures.

Feedback, Feedback, Feedback