

University of California, San Diego  
Department of Economics  
Summer Session II 2007

## ECON 170B: Management Science Microeconomics

Prof. Augusto Nieto Barthaburu  
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Office Hours: Monday 11:00-1:00  
Office: Economics Bld. #113  
Lectures: MW 2:00-4:50 at HSS 1330  
Website: <http://weber.ucsd.edu/~anieto/Econ170B>

### Text/Readings

**You can use either of these books (or both):**

- Michael R. Baye, *Managerial Economics and Business Strategy (B)*, 5th Edition, McGraw-Hill-Irwing, 2006.

There are a color hardback version and a black and white paperback version of the text. The contents of either version are identical, so you only need to buy one.

- Jeffrey Perloff, *Microeconomic Theory and its Applications (P)*. The first edition of this new text is not scheduled to appear in print until August. However, a draft of the book is freely available now at <http://are.berkeley.edu/~perloff/Calculus/>

### Course Description

This course is the continuation of Econ 170A. We will start from where you left in that course. After a review of Econ 170A, we will discuss topics on imperfect competition (oligopoly), pricing strategies, game theory, decisions under uncertainty, economics of information, market failure and the interaction between firms and the government.

### Grading

Midterm: 40%

Final: 60%

The midterm will be in lecture time on Wednesday, August 22. There will be **absolutely no makeup exams**. If you have to miss the midterm **for a medical or another University approved reason**, the weight will be allocated to the final exam. In that case, you will need to provide a proof of your situation. The weights will not be rearranged for any other reason.

The final will be on Friday, September 7, 3:00-6:00 PM (please refer to tritonlink for location). All students must take the final exam at the scheduled date and time, so if you have any conflicts with other exams you are advised not to take this course (or the other courses that this course's exam conflicts with).

The final exam will be cumulative. All exams will consist of a multiple choice section and a short answers section.

**Advice**

Begin studying for the course starting on the first day of class. Summer courses move very quickly – we cover what would be a full week of material (in the regular academic year) in just one day and then another full week of material just two days later. If you do not keep up with the material and homework in between every class, you will find it difficult to catch up before the midterm (Wednesday of week 3) and the final (Friday of week 5).

**Homework**

Homework will be assigned but will not be collected. Solutions for each problem set will be provided at the course web site. It is very important that you work on the problem sets and understand them, since they are the best preparation for the exams.

**Teaching Assistant**

Adam Sanjurjo

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Office Hours: Tuesday 2:00-4:00

**COURSE OUTLINE****Topic 1:** Competitive Markets and Monopoly (review of Econ 170A)

B Chapter 8

P Chapters 9 and 11

**Topic 2:** Pricing Strategies

B Chapter 11

P Chapter 12

**Topic 3:** Oligopoly

B Chapter 9

P Chapter 13

**Topic 4:** Game Theory

B Chapter 10

P Chapter 14

**Topic 5:** Economics of Information

B Chapter 12 (recommended)

P Chapters 16 and 18

**Topic 6:** Externalities and Public Goods

B Chapter 14

P Chapter 17