

AEB 5188 Economics of Agribusiness Decisions

Summer B 2016

Instructor

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Class Details

Class Meets MTWRF 9:30 – 10:45

Room: 1108 McCarty Hall B

Office Hours

MW 2:00-4:00 pm

These are my official office hours; however, feel free to knock on my door anytime. If possible, I will gladly meet with you. Feel free to call, e-mail, or talk to me before or after class to set up an appointment. You do not need an appointment, but that way you can make sure we are there when it is convenient for you. Many students find e-mail is an easy, fast way to ask questions.

Course Description

This course is going to study the principles of microeconomic theory and methodology and its application to the managerial decision making. The emphasis in this course will be on demand analysis and estimation, production and cost analysis under different market conditions, forecasting and decision making under uncertainty. Students taking this course are expected to have had some exposure to economics and be comfortable with basic algebra. Some knowledge of calculus would also be helpful.

Course Objectives

By taking this class, students should be able to:

- Compute the relevant cost of any decision
- Use marginal analysis to make extent decisions
- Perform optimization (e.g. to maximize profit, minimize costs) procedures using basic mathematical tools
- Predict industry-level changes using demand/supply analysis
- Perform demand estimation procedures and interpret and explain the results
- Develop short-run and long-run strategies to increase firm value
- Understand the market structure and make managerial decisions for various markets

Required Texts

Christopher Thomas, and S. Charles Maurice. *Managerial Economics: Foundations of Business Analysis and Strategy* (The McGraw-Hill Economics Series), 11th edition, McGraw-Hill Education, 2012

This is the text for the class, and will correspond closely to the lectures.

Recommended Texts

Paul Krugman and Robin Wells. *Microeconomics*, 3rd edition. Worth Publishers, 2012

Grading and Activities

The scale used will be:

A	93% or above	A-	90-92.9%		
B+	87-89.9%	B	84-86.9%	B-	80-83.9%
C+	77-79.9%	C	74-76.9%	C-	70-73.9%
D+	67-69.9%	D	64-66.9%	D-	60-63.9%
E	Less than 60%				

Grading Summary

Class Participation	5%
Homework	15%
Daily Quizzes	15%
Final Project	15%
Mid-term	25%
Final Exam	25%
Total	100%

Grades will be assigned based on two exams, daily quizzes, homework, final project and class participation as presented in the above table.

Homework Assignments

Economic theory is a subject that develops logically, hence good learning requires continuous work and frequent practice at applying theory. My experience as a student in economics that problems sets (homework assignments) are the best way to solidify concepts.

Homework will be assigned once a week, and in total, there will be five homework assignments. Homework assignments are graded on the basis of "effort" not on "correctness." If you attempt and do a reasonable job on 3/4 of assigned problems you will receive a "check-plus" which corresponds to a grade of 100%. If you attempt and do a reasonable job on over 1/2 of assigned problems you will receive a "check," corresponding to an 80%. If you attempt and do a reasonable job on less than 1/2 of the assigned problems you receive a "check-minus," corresponding to a 70%. If you do not turn in anything you get a "0" for that assignment.

Daily Quizzes

Good quizzes make excellent study guides for exams, and an opportunity to demonstrate your command of the learning material. For each lecture, I will assign one quiz containing several (3-5) questions based on the lecture note and the assigned readings on Canvas. For each quiz, you could attempt for up to three times, and the highest score will be kept as the final grade. Each quiz will be available on Canvas one hour before lecture, and will be available until each due date (usually available for 24 hours). Since many of you will have good reasons for having to miss at least one of these quizzes, at the end of the semester, I will drop your two lowest scores of quizzes.

Final Project

Since the objective of this course is to learn and apply analytical skills used by business managers in an economic setting, you will have a final project which provide an opportunity for application of these skills in a “real world” setting. In the last week of the course, the final project will be assigned, and you will have one week to finish this project. More information about the final project will be discussed in class.

Class Participation

Participation in class is very important, and to emphasize this importance, a portion of your grades is based on “class participation”. To be “actively” participating in lectures, one must—at a minimum—be physically present, pay attention to the discussion, and respond constructively to questions, etc. Please turn off all hand-held electronic devices before class since they can create an annoying disturbance to your fellow students and instructor. Exercise common courtesy when talking with your neighbor to minimize distractions and provide a good listening environment.

Tentative Course Outline

Week 1- June 28-July 1

Chapter 1: Mangers, Profits, and Markets

Chapter 2: Demand, Supply and Market Equilibrium

1st Homework assigned on July 1, Due on July 8

Week 2- July 5-July 8

Chapter 6: Elasticity and Demand

Chapter 3: Marginal analysis for Optimal Decisions

2nd Homework assigned on July 8, Due on July 14

Week 3- July 11-July 15

Chapter 5: Theory of Consumers Behaviors

Chapter 7: Demand Estimation and Forecasting

(Chapter 4: Basic Estimation Techniques (assumed covered by AEB 5516))

3RD Homework assigned on July 14, Due on July 22

Midterm: July 15 Chapter 1-7

Week 4- July 18-July 22

Chapter 8: Production and Cost in Short Run

Chapter 9: Production and Cost in Long Run

Chapter 10: Production and Cost Estimation

4th Homework assigned on July 22, Due on July 29

Week 5- July 25-July 29

Chapter 11: Managerial Decisions in Competitive Markets

Chapter 12: Managerial Decisions for Firms with Market Power

5th Homework assigned on July 29, Due on Aug 5

Final Project will be assigned on July 29, Due on Aug 5

Week 6- Aug.1-Aug.5

Class Cancelled for AAEA meeting – Aug.1-Aug.3

Chapter 14: Advanced Pricing Techniques

Final: Aug.5 Chapter 8-12

University Policies

Academic Honesty, Software Use, Services for Students with Disabilities, UF Counseling Services

The University of Florida requires all members of its community to be honest in all endeavors. Cheating, plagiarism, and other acts diminish the process of learning. When students enroll at UF they commit themselves to honesty and integrity. Your instructor fully expects you to adhere to the academic honesty guidelines you signed when you were admitted to UF.

As a result of completing the registration form at the University of Florida, every student has signed the following statement:

“I understand the University of Florida expects it students to be honest in all their academic work. I agree to adhere to this commitment to academic honesty and understand that my failure to comply with this commitment may result in disciplinary action up to and including expulsion from the University.” Furthermore, on work submitted for credit by UF students, the following pledge is either required or implied:

“On my honor, I have neither given nor received unauthorized aid in doing this assignment.”

It is to be assumed all work will be completed independently unless the assignment is defined

as group project, in writing by the professor. This policy will be vigorously upheld at all times in this course.

Software Use:

All faculty, staff, and students of the University are required and expected to obey the laws and legal agreements governing software use. Failure to do so can lead to monetary damages and/or criminal penalties for the individual violator. Because such violations are also against University policies and rules, disciplinary action will be taken as appropriate.

Campus Helping Resources

Students experiencing crisis or personal problems that interfere with their general wellbeing are encouraged to utilize the university's counseling resources. Both the Counseling Center and Student Mental Health provide confidential counseling services at no cost for currently enrolled students. Resources are available on campus for students having personal or lacking clear career and academic goals, which interfere with their academic performance. The Counseling Center is located at 301 Peabody Hall (next to Criser Hall). Student Mental Health is located on the second floor of the Student Health Services in the Infirmary.

1. *University Counseling Center*, 301 Peabody Hall, 392-1575; personal and career counseling: **www.counsel.ufl.edu**
2. *Student Mental Health*, Student Health Care Center, 392-1171, personal counseling: **www.hsc.ufl.edu/shcc/smhs.htm**
3. *Sexual Assault Recovery Services (SARS)*, Student Health Care Center, 392-1161, sexual assault counseling; and
4. *Career Resource Center*, Reitz Union, 392-1601, career development assistance and counseling.

Students with Disabilities Act

The Dean of Students Office coordinates the needed accommodations of students with disabilities. This includes the registration of disabilities, academic accommodations within the classroom, accessing special adaptive computer equipment, providing interpretation services, and mediating faulty-student disability related issues. *Dean of Students Office*, 202 Peabody Hall, 392-7066, **www.dso.ufl.edu**.