

162 Sylheti, 1978-86

1

Appl Ecs. Betanson + Lewis. Line out parts to skip.

Wk
I. Day
I. 1

Intro. Ch. 1

Decis. - making

$MR = MC$ rule. $\neq$ Max. net return

~~Circ. Flow.~~

Nature of "firm"

Concept of profit.

(Need for in rem concepts, imputing to factors.

~~2~~ Basic Trig. Ch. 2

2

Fu relationships

(Optimizing)

Total, ave, marg.

P/ Input

C/ Product

Relations

~~LS Regn.~~

3,

15 min. quiz

Time value

II

1

Calc. + opt.

Exams:

Once a wk.

15 min.

1st one self-graded.

Then on, you won't know

All cases, correct answers.

Appl. Econ. Syllabus.

1

1. ^{Survey} Intro. & Objectives of course

2. Math. Tools.

a. ~~Finance~~ Time in econ: math. of finance
(log: log scales)

b. Optimizing tools: ~~workable~~ calculus made workable. Calculus for sensitivity analysis.

3. Demand analysis: cutting our eye teeth on easy problems.

4. Prodn. & investment ~~strong~~ economics.

~~a. Why returns diminish: variable proportions~~

~~Optimizing the input mix.~~

~~Input costs and marginal products.~~

~~Imputation of input returns~~

~~Input complementation & substitu~~

~~Factoral distribution: incidence of taxes, & price & cost shifts on factor shares. Functional distribution, its importance ⁱⁿ management~~

~~b. Gimmicks: LP, Lagrangian, ~~the~~ Cobb-Douglas functions~~

$$MP_a = 2 MP_b$$

$$C_a = 2 C_b$$

$$\frac{MP_a}{MP_b} = 2 = \frac{C_a}{C_b}$$

2

a. Optimizing the input mix

- ~~The range of~~ flexibility of input proportions
- ~~MP as a systems concept.~~
- Increasing propns. mean dim. returns.
- Imputing returns to each input: the importance of knowing functional distribution analysis to successful management
- ~~Equation~~ Optimizing by equating marginal product values with marginal input costs.
- Input complementation + substitution
- Incidence + effects of price + ~~input~~ cost shifts (↓ taxes)
- ~~Other Topics~~ Intensive and extensive margins.
- Population ^{growth} + resource scarcity

b. ~~Handling~~ Handling more variables: from partial to general optimization; from short run to long run analysis. (p. 24)

1. Intensifying use of fixed plant: marginal "profit" ^{as a} ~~and the~~ net product concept
2. Improving fixed land: cash flow ^{as the} net product of capital investment. ~~Project analysis, priv. + public~~
3. Adding land, all inputs variable. Net product as a measure of scale economies.

Ways To add a 3d vble. when mixing inputs.

1. Indep. vble: K
 Dep. vble: "cash flow" = $GR - X$
 $X \equiv \text{expenses}$.

~~the~~ PV of CF needed.

a. Underleveraged

b. Leveraged.

Here, use E , equity.

Cash flow is $GR - X - DS$

2. Indep. vble: W for work
 Dep. vble: $NR = GR - CC$

Make this #1 in a 3-stage sequence of instrn.

1. Have plant, are manning it

2. Have land, are improving it.

3. a. Have some land, are adding more.

(Use this to get into ecs. of scale.) $\neq$

b. Have land, are developing it for subdiv.
 & sale.

$\neq \Delta$ scale means adding land, all indices.

c. ~~Excess~~ Variable scale: economies, ~~the~~ + diseconomies. Incl. bias, or how the deck is stacked.

d. Cost analysis

e. Project analysis, pvt. + public

f. Gimmicks: LP, Lagrangians, Cobb-Douglas, etc.

10-2-85 Ec, 162

1. Profit max. over time = max wealth.
(except remember to consume.
Relations of coexistence & of sequence

2. Ful. relations. 5~~th~~ ways.

Graphs.

Algebra

Tables

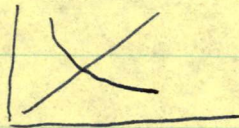
Computers

Working ^{mechanical} models: gears, hydraulics, etc.

(or beams in a tube)

Others.

5. Optimizing
adding.



Var. cost & fixed cost
Inv. model

Life model

Subtracting: Revs - Costs

Dividing: Discounting.

Multiplying: P & Q.

6. Algebra, Calc.

10/7/82

Overview

How many have ^{not} had 100A?

Not prereq, but also required for majors.

- I. What is Mgt.
- II. Goals of Firms & ~~Society~~
- III. " " Society, as related to II
- IV. Long run profit max.

I. ~~Mgt.~~ What is Mgt. Ecs.

A. Cf. 100A

Less moonbeam, more applied.

More emph. on time; on fin. & credit;
on process of planning: i.e. inv. & recovery; risk;
forecasting.

Link between Ec. Thy. & Decision Sciences:

- Opt. Techniques
 - Calc. (MR=MC still holds)
 - Programming
- Stat. Tools
- Forecasting Tech.

B. Positive vs. normative.

Mgt. is goal-oriented, hence normative. Max. profit is accepted as goal, + judgements are made.

Also helps define goals: what is profit?
What is effic.

Also looks at govt. + society. Why is max. profit good? Is it always, + then reg. needed.
(cf. III.)

C. In Bus. Ad. curric.

Dual role:

Tool course

An Integrating course.

II. Goals of Firms.

A. Profit max. shd. be.

Most output w. least input. Efficiency.
(avoiding stealing, trespass, etc. anti-social behavior.)

✓ L.R. max. avoids fallacy of robbing tomorrow.

B. Multiple Objectives.

Max. profit is compatible w. many objectives.
 Btm. line is not valid. after long chain of calcs.

E.g. if workers don't like hot desert, they change more to work there.

But some objectives conflict. Can't max. 2 things at once.

1. Mgrs. want power. And how! Turning
 egos. also prestige, security, leisure, etc.

Even these can be reconciled in part by
 adjusting salaries. But this presumes there is an
 active ownership interest, & there may not be.

2. The general problem ~~is~~ is div. of owner & mgr.
 Mgr. goes his own way.

A discl. of scale; of absentee ownership; or
 just of great indiv. wealth.

Often worse w. public enterprise. Forest
 Service; DWR; Army Eng.; City Utilities.

a. Power. Mgr. intimidates &
 obfuscates, hides info., makes simple things seem complex.

b. Prototype

TV spots. Lacocca; Schlitz.
Instl. ads. Warner + Swazey
Preadmin. Le Toumeau.

c. Leisure.

D.C. Title Co.
Excise profits piddled away.

d. Tradition, satisfactory.
Cathman, 19 + 4 c.
Orange grove. greenbelt

Inherit rich land, avoid part of
dim. vet., "low quality".

Avoid timely replant.

e. Bloating salaries, graft, self-dealing.
E.g. insider loans at banks.

accs.

f. Networks of good ol' boys, playing ball.
Intin. mgr. uses consultants, law firms.
-- picks his own. They know what he wants.

3. Rich owner.

Hobbies, fun, thrills. Howard Hughes.
Womanizing. Mr. aphrodisiac.

100A assumes foregone gain drives you same as
cash outlay. Not so. What drives to profit max. is:

a. Int., env., balloon pmt.

Smaller firms. higher debt/T.A.
"Lean & mean."

b. Prop. Tax. -- (a tax that stimulates?!)
Winnon Act.
Effects of P-13

C. Why profit max. remains important.

In s.r., unjust. can wander away from
ec. goals. Most people do. But they run up into
external disciplines, that get them after.

1. Prop. Tax
2. Tender offers
3. Debt + interest, foreclosure.
4. Compu.
5. Obsolescence
6. Loss of respect

So: L.R. profit max. tells us 2 things.

- what shd. do all time. (The ~~to~~ foregone gain of no max.)
- what are forced to do finally.

"Social responsibility".

Profit max. Tells you to "use what you need, & leave the rest". A hi form of social responsibility, - higher than charity, is giv' others a chance. E.g. Kaiser steel, sell land, replace jobs quickly.

"Social resp." can be a muddy term.
To be more specific, think of resp. as giv' w.
prop. ownership, not "business" as such. If you
rent, work ~~hard~~ long & hard, pay wages, give service, stay clean,

III. Pvt. goals & public.

A. Why profit max. serves public.
Invisible hand.

B. Social responsibility

you've been responsible. ~~Those who use common~~
~~ness.~~ Yr. landlord is the one whose conscience slid.
 move him.

Those who use public res. free: water; radio spectrum;
 oil.

All land, if you go back a way.
 Was given to pub. owners, to use for all. They
 compensate others by:

- taxes
- hiring workers
- producing goods
- disposing of excess land
- supporting or providing public leadership

(+ not just for themselves)

To p. 1 (next p. attached)

IV

Long Run Profit Max

Value = P.V. of $\sum_{t=0}^{\infty} \frac{\pi_t}{(1+r)^t}$ (B+P, p. 114, assume you know PV, ?
 do not assume that.)

$\pi \equiv$ c.f., but B+P say "profits", "for now". Spike that
 vt. now!

Not:

Bk value

Mkt. value

Liq. value

Going - concern value

Replmt. value

Inv. value

$$\text{Value} = PV = \sum_{t=1}^n \frac{\pi_t}{(1+i)^t}$$

$$\pi = S - C$$

$S = \text{sales}, C = \text{costs}.$

1. Shd. start from $t=0$
2. t not limited to integers.

Normal practise, use mo. as unit.

3. Quiz on Σ . Use columns.
4. Keep eye on subscripts. Write large!
5. t_0 to $n = \infty$

$$\text{Use instead of } \sum \frac{\pi_t}{(1+i)^t} + \frac{S_n}{(1+i)^n}$$

($S = \text{Sale of Site}$)

- a. CF bars.
- b. PV plot, exp. decay.

Go directly to comprehensive form, by cash flow annal.

π_0 is large + negative. No deprec. needed, $\therefore$
 S_n is " + positive. No apprec. $\therefore$

Debt can also be factored in.

PV formula pulls together contribns. of diff.

depts: sales, prodn., finc.

Formula shows how one dept. can help another
 -- e.g. price flex. rts. for excess capacity.

Overview.

BTP

Ec, 100A is also required, but not as prereq.
How many have had it?

(Mgtl. differs from 100A by more emph. on Time.)

100A is Monheim Ec.

Mgtl. is link betw. Ec, Thy, & "Decision Sciences"

Mgtl. is normative bus. goal-oriented: ~~to~~ max. profit,
e.g., (Ec. doesn't just help attain goals, helps you define
goals. Don't buy line about ec. shd. be only positive, only
describe, never prescribe. That's for jellyfish.

"Decision Sci." include:

- Opt. Techniques

Calc. (but $M (= MR)$ is also ec. thy.)

Programming

- Stat. tools (e.g. to est. demand elast.)

- Forecasting Tech.

In Bus. Ad, Mgtl. is an "integrating" course, as well as a
"tool" course. A dual role.

III, C

Bus. + Society. Govt. reg. 4 areas:

- Reg'g p.u. rates + service

- Monop. mkt. power over consumers.

- " " " labor

- Pollu.

(Indians pollute, too: smoking, squawk boxes, noisy parties, speedboats, cars, Frisbie games, ice cream trucks.

Goal of firm: long run wealth max. is primary objective.

There are multiple ~~this~~ goals. LR wants max.
should be goal -- normative eval. Also, it tends to be,
but subject to other goals

(Note, you cannot max 2 things at once - have to decide)

(Now that s.r. profit = l.r. income max. - deduct deprec. and approx. + cap. frts. Mention c.f. max.)

Other souls..

~~Conflict of
owner + mgt.~~

Mags. want power. (and how!)

a disc. of scale +/or absentee ownership.

(An enormous factor. Public enterprise, even more so.)

~~At Towning eggs~~

Mgr. want prestige (Le Monde, press, etc.)
 " " leisure (TV spots, ~~the~~ La Coccia & Schelitz)
 " " (D.C. title co.)

(Excuse ~~propos~~ peddled away)

satisfying. The quiet life, or a traditional way of life. E.g. those who inherit rich land, avoid toil of div. rets.

Also avoid timely repent, more serious.

3

Mgrs. want personal gain. H: salaries; maybe graft, self-dealing.

Rich owners want fun, thrills. Indulge hobbies.
Project an image, a persona, as progressive, innovative, frightening,
swinging ~~business~~ (Ague, De Lorean)

Many mgrs. want to stand in well w. networks of
good old boys. ~~Can~~ intimidating mgrs. use consultants,
law firms, fin. advisors. He is on a trade assn,
a joint powers agency. Their ~~ultimate~~ loyalty is
divided.

~~Mgrs. of owner-mgrs. relate to local cities~~
~~Merged mgrs. don't. Udel.~~

(Wealth position of firm makes huge difference.
Ec. thy. assumes o.c. of owned assets drives you same as
cash interest or rent. In fact, not so.)

Explicit outlay is much stronger.

- higher $\frac{\text{debt}}{\text{T.C.}}$
- a. Interest on annu. (balloon princ.) (Smaller firms,
 - b. Prop. Tax
Wasson Act
Effect of P-13)

Ec. 162A, F-82, Topics.

		<u>B + P</u>	<u>S + Z</u>
1.	Overview.	1	1, 2, 3
2.	Opt: Princ. + Techniques	2	4
3.	Time + Interest	13, App. A	10, (4)

Exam.

4	Risk; forecasting	3, App. B	—
5.	Demand	4, 5	(8)
6.	Prodn.	6	9

Exam.

7.	Linear Programming	7	11
8	Costs	8, 9	
9	Pricing	10, 11	
10	Govt's Role in Govt. + Bus. Govt.; Public Choice	12	13, 14, 15

Fall. 1982

162A, 11:10 - 12:30, 1101 Wat.

217, 2:10 - 3:30, 2205 Spr.

Week No	<u>Mo.</u>	<u>Day</u>	
	Dates	At T	Th.

1 10 5 7

2 12 14

3 19 21

4 26 28

5 11 2 4

6 9 11

7 16 18

8 23 X

9 30 12/2

10 12 7 9

(10/22, last day to drop w/o a "W")

(Nov. 24, last day to drop)

End

(16)

162 Final

217 Final has no exam group

A.S. 162
Mar. 1, 1978

Topics

S curve as Σ MC curves. S of land. Price control.
Tax shifting.
(Auzan quote)

1. S & D. Ideal allocn... supply price as demand for alt.
2. Alloc. eff. = equil. GM org.
3. Cons. sortg.
4. Equity in distr. Compensating for past wrongs? Starting fresh
Equity v. effie. ex. generation.
How to get both

5. Demand analysis & interp.

by

Elasticities, MR.

$P \quad L \quad Q$

$$\frac{\Delta R}{\Delta Q} = \frac{P \Delta Q}{\Delta Q} - \frac{Q \Delta P}{\Delta Q}$$

E.g. of importance.

Demand for land

" " power

" " energy

6. Importance of integ. fr.

Housing

Timber

7. Cost analysis, restates MP to integrate w.

Demand curve. S.R. & L.R.

8. Mkt. structures.

Compr., mnp. oligop. monopsony

Cartel; discriminating mnp; public mnp. cum tax power.

Vert. intn.

8. Vert. intn in oil

- a. Refining level, & rail, broken by 1911 bust.
- b. Pipeline level, weakened in 1940-42 anti-trust suit.
- c. Majors had achieved dominance in crude.
Used T.s. & Connally to shift to crude. (to quota system)
Shamed this w. small crude producers. But majors had most.

Squeezed out small refiners.

- d. He leaves out shifting to fr. crude; Highly concd. control. Got shortstopped by OPEC, which grabbed the messy majors had created.

He leaves out shifting to "new oil".
Crude beefing up demand

- e. 1972 pub.

Also leaves out \$ deval., helping Am's w. overseas holdings.

Moral. "Messy profit" is complex, more than shown by thg. of firm. Involves bending govt. to help an interest group.

Sherman

Radical perspective.

Stress on faults of mkt., fairness of firms.

Reject harmony of interests, stresses conflict.

Rise of giant corps.

(Overlooks concomitant rise of size of mkt.)

3 waves of mergers.

Extremely hi conc.

(Corp. shares widely held, but they too, highly concd.)

Problems: waste, waste of resources, limits of wages, pollution (why?) result from concn.

Exploitation: profit $\uparrow$; "stockholder K" rises w. size. (Data may be screened. He hasn't proven this)

Profit $\div$ GNP rises over time. Unproven.

Conceder es. of scale -- wants to socialize.

Mupp, not union, cause infln.

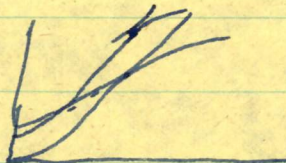
B & P give conservative view. Sherman balances. Is worth your thought.

Solutions:

1. Radicals say more govt.
 2. Libertarians say less govt.
 3. Tax reformers say uniformity in tax, w. bias for compn.
Also, uniformity in all matters.
-

Replint. pol.

1. Cap. of 1st kind



2. Cap. of 2d kind
-

Ans.

Thurs Fry. & Gould Chap

Syllabus, Administrative Studies 162, Winter Quarter, 1978, Professor Gaffney
First class January 5; Last class March 15; 20 meetings in all.

1. Purpose and survey of course
2. Why economics? Growing population and fixed resources. Malthusian gloom, Utopian prodigality, and economic sense. Substitution for and intensification of resources. (Possibilities of resource expansion through synergy and technical advance - a foretaste.)
3. Changing factor proportions and the distribution of income and wealth. The margins of production, extensive and intensive. Growth of land rent; its functions. Factorial distribution (vs. personal and business distribution.)
4. The intensive margin, and variable proportions. Standard techniques for analyzing variable proportions--introduction of marginal analysis. Symmetry of variable proportions.
5. Continued. Maximizing residual returns by equating marginal product and marginal cost.
- 6,7 Capital, a third input. Discounting, and the discounted marginal product concept. Techniques for handling two variables together. The marginal net product technique, optimizing with two or more variables.
8. Input substitution. Meaning of economic efficiency and economic intensity as opposed to physical efficiency and intensity. Economic waste vs. physical waste in management choices. Sensitivity of substitution to prices of inputs and outputs.
9. Continued
10. Synergy, increasing returns, and resource expansion.
11. Scale of firm. Increasing returns to scale of firm: causes, overstatements, and limits.
12. Scale of firm: the problem of concentrated economic power.
13. Organization through the market: supply and demand, allocative efficiency, and the equimarginal principle. Consumer sovereignty and free choice. Markets as places, the importance of location and settlement patterns.
14. Personal distribution of income and wealth: the problem of concentration. Concepts of "equity" among persons, and generations. Must consumer sovereignty be modified? Roles of tax policy and other public policy. Equity vs. efficiency.
15. Demand analysis and interpretation. Demand forecasting and its use. The marketing function--is it productive?
16. Cost analysis techniques, units and concepts, (a useful restatement of marginal productivity analysis to integrate it with demand analysis.)
17. Market structures and pricing policies.
18. Business concentration: the problems of market and political power.

19. Government and business: the use and abuse of government power.

20. Capital budgeting, planning, and replacement policy

Final Exam Thursday, March 16

Assignments Administrative Studies 162 Winter 1978

Professor Gaffney Texts: Ferguson Micro-economic Theory Brigham and Pappas
Managerial Economics

<u>Class No.</u>	<u>Date</u>	
1	1-5	Ferguson Chp. 1 - Brigham Chp - 2
2	1-10	Ferguson pp. 303-04 Henry George <u>Progress and Poverty</u> (on reserve) Book III, Chapters 1, 2, 4, 6, 7, 8 Book IV, Chapters 1, 2 Ferguson chp. 13 (optional)
3	1-12	Same
4	1-17	Ferguson Chp 6 Brigham chp 6, pp. 163-84 Brigham chp 2, pp. 17-29 (optional)
5	1-19	same
6	1-24	Brigham Chp. 1, pp.9-10 chp. 2, 17-19 chp. 13 (this will be hard) Appendix A, pp. 505 -11 (remainder optional)
7	1-26	Joan Robinson <u>Economics of Imperfect Competition</u> Chp. 20, Chp. 21, pp. 243-46
8	1-31-	Ferguson, Chp. 16
9	2-2	same
10	2-7	M. Gaffney "The Synergistic City"
11	2-9	Ferguson chp. 8 Brigham chp. 8 G. Stigler, <u>Theory of Price</u> , 3rd ed. Chp. 8
12	2-14	Brigham Chp. 12 McGuigan & Moyer, <u>Managerial Economics</u> , chp. 16
13	2-16	Ferguson, chp. 98 (optional) Brigham, chp. 10, pp. 297-308
14	2-21	-----

<u>Class No.</u>	<u>Date</u>	<u>Assignment</u>
15	2-23	Brigham chp 4 " chp 5 (optional) Ferguson chp 2 (optional) " chp 5 4 Philip Raup, "The Small Non-industrial Forest Owner"
16	2-28	Ferguson chp. 8 7 (review) Brigham chp. 8 (review)
17	3-2	Ferguson, chp. 9 ⁸ , 10 ⁹ , 12 (pp. 286-96 only), 14 Brigham chp. 10, 11
18	3-7	Review Week #12 Howard Sherman Stagflation, Chp. 7 Allvine and Patterson <u>Competition, Ltd.</u> chp. 9
19	3-9	Brigham chp 12 McGuigan & Moyer chps. 18, 19, 20.
20	3-14	Brigham chp. 13

Syllabus, Ec. 162, April Ec., F-81, Prof. Reibman

Text a) $M + M$, 2nd ed

b) Hand calc. required, ~~also~~ ^{with} ~~other~~ powers, roots & logs. For use on exams.

Exams, grading. ~~The~~ Grade based mainly on 2 midterms and final. All 3 are of equal weight

I will also call for answers to ^{study ques.} problems, ~~which~~ which I will distribute before hand. This aspect of grading is slightly stochastic, like life itself, & cannot be reduced to a formula.

Wk No.	Date of Monday	Topic Day of week	Reading in M + M
1	9/28	Scope Scope & Method Thy. of Prod.	Ch. 1 Ch. 9, pp. 207-19
2	10/5	Substitution & Trade-offs Economies of Scale, real & imagined	Ch. 9, pp. 219-30 pp. 231-33, 265-67.
	10/9	Friday, 1st Midterm (of 2). Remember: this counts less than as much as the final.	
3	10/12	Capital, front-money & finance. (Calculator needed now.)	Ch. 15, pp. 395-436
4	10/19	Risk, Cost	Ch. 16, pp. 437-56 Ch. 10, pp. 245-57 257-64 268-72.
		Learning Curve	App. 10 A, pp. 273-77
5	10/26	Empirical Prodn. & Cost Fns., Linear Programming, Optimizing Techniques	Ch. 11, pp. 278-306 app. 9 A, ^{pp. 237-44. also,} pp. 44-60 in ch. 3. Ch. 3, pp. 21- to 43.

6 11/2 Monday,
1 2d Midterm (of 2).

Demand

Ch. 5, pp. 99-133
(Opt: Ch. 8, pp. 182-201)

7 11/9 Forecasting

Ch. 6, pp. 134-64
Ch. 7, pp. 165-81

8 11/16 Pricing

Ch. 12, pp. 309-28
Ch. 13, pp. 329-47
(Opt: App 13A, pp. 348-61)
Ch. 14, pp. 362-92
Ch. 21, pp. 598-623

9 11/23 Gov. + Bus.

Ch. 18, pp. 503-32
Ch. 19, pp. 533-74
Ch. 20, pp. 575-97

10 11/30 Review, problems, debates, reports, etc.

<u>Week</u> <u>Date</u>	<u>No.</u> ↓	<u>Topic</u>	
9/28	1.	Scope & Method	Ch. 1
		Theory of Prod.	Ch. 9
		Combo. of inputs: dim. rets.	201-19
		Inverse relationship of factor productivities, etc.	
10/5	2	Substit. & Trade-offs	219-30
		3 + more variables: MNP, (discounted MNP)	
		Imputation & distribution	
		Price flexibility & relative factor scarcity	
		Ecs. of Scale, real & imagined.	231-33
			265-67
10/9	F	Exam	
	3.	Capital, front-money & force.	Ch. 15, 395-436
	4	Risk	
M,		Risk, Ch. 16, 437-56	
W		Cost Ch. 10, pp. 245-51	
F		" pp. 257-64, 268-72	
		App. 10 A, The Learning Curve, pp. 273-77	
5.	M	Empirical Prod. & Cost Fns.	Ch. 11, pp. 278-306.
W		Linear Programming; App. 9 A; pp. 44-60	
F		Opt. Techniques	

Week No.

DateSpecific Subtopics

6. Demand ch. 5, 99-133
 (ch. 8, 182-201, opt.)

7. Forecasting, ch. 6 134-64
 7. 165-81

8. Pricing ch. 12
 13
 14
 21

9. Govt. + business

ch. 18, Mkt. Structure
 19 Reg. + "Support"
 20 Externalities.

10 Review, problems, advanced Topics, discussion,
 reports, debates.

Agrib. Sequence

1. Ch. 1 Scope & Method

2. Ch. 9 Theory of Prodn.

(This is meat of course. Dig right in.)

a. ~~Dim.~~ Combo. of inputs: dim. returns. pp. 207-19

Rdgs: E + W. Ess. of Shyresinger.

Alonso, Joan R. MNP (?)

b. Substit. & trade-offs pp. 219-30

(Inverse relation of MPs)

c. Scale. pp. 231-33

265-67

d. LP

App. 9A

also, pp. 44-60

3. Econ. Ch. 15

pp. 395-436

3½ Risk Ch. 16

pp. 437-56

4. Cost. Ch. 10

5. Empirical Prodn. & Cost Fns. Ch. 11

→ 6. Tools of Analysis Ch. 3, Opt. Techniques

7. Demand
~~ch. 5~~
(ch. 8, pp. 99 - 133
182 - 201) opt.

8 Forecasting
ch. 6, 7, pp. 134 - 64
165 - 81

9. Pricing
ch. 12, price + output dec.
ch. 13, Oligop., cartel
ch. 14 More topics.
ch. 21 Utility reg.

10. Reg.
ch. 18 Mkt. Structure
19 Reg. + "Support" (subsidy?)
20 Extern.

4B Thurs 11:30

Things to emphasize in reading

Ch. 13

Cartels

Price Leadership

~~Game~~ Kinked demand curve

Game Theory

Ch. 14

gt. products

Price disc.

Xfr pricing

Full Cost v. Marg

Incrementalism

Ch. 17

B/C Anal.

Mediocre.

Ch. 18

Concn.

Will discuss Fri.

Good Chap.

Ch. 19

Govt. reg.

Discuss Fri.

Ch. 20

Externalities. Tragedy of Commons again.

Groundwater as current e.g.

Ch. 21

P.U. reg. Review.

Syllabus

Ec / Cas 162A
ME

F-84
M 9

Office: 4107 Sp.

Hrs: TR 1:30 - 2:45

Text: K. K. See, ME, 6th ed., '84

(Opt: Petru & Waterman, In Search..)

also Needed:

Weighting of Grades

There will also be several short quizzes, ~~not~~ graded by your neighbors.

Handouts

No welfare food stamps, but I will distribute ^{several} problem sets, frequently other materials to help you, such as a review of basic math, and ~~outlines or~~ some lecture outlines, & ~~the~~ lists of topics ^{+ principally} to remember.

Course Outline + Schedule

<u>Week</u>	<u>Date</u>	<u>Topic</u>	<u>Reading in K.K. Sec</u>
1	9-25	Finance	Ch. 18 Cap. Budgeting: Inv. selection Ch. 19 " " : Eval. Pol. App. 14 A Valuation pp. 13-16, Present Value Model
2	10-2	Cont.	(
3	10-9	Opt. Techniques } Math. review)	{ Handout App. 3 A Brig. + Pap. ?
4	10-16 10-18	Sensitivity Anal. 1st Midterm	
5	10-23	Prodn. Ecs. I Variable Progs. Prodn. Ecs. II Substitution, Trade-offs	

- 0. Math. review - My notes.
 - 1. Prodn. Ch. 9 (opt. Ch. 10)
 - 2. Cost Ch. 11 (opt. Ch. 12)
 - 3. Demand Ch. 5
 - 4. Profit
 - 6.F. Risk
 - 7. Pricing
 - 5. Finance
 - 8. Govt.
 - 9. Decision-making.
-

I. Prodn.
Ch. 9
Vble prop.
Optimizing
Trade-off
Scale

Ec. 162
9-21-84

Chaps. 18, 19, App. 14 A, App.