

Markets and the Firm (MG402A)  
Graduate School of Management  
University of California at Davis  
Professor Victor Stango

---

Email: [vstango@ucdavis.edu](mailto:vstango@ucdavis.edu)

Office: Gallagher 3202

Course objective

What trends in future prices can businesses expect for their products or services, and what are their most important profit drivers? When is it a good idea to expand into a new market, or develop a new product? How should firms price their products, and when is segmenting customers a good idea? What leads some firms to consistently outperform their competitors, even over sustained lengths of time?

All of these questions are informed by economic analysis. **This course surveys the fundamental principles of microeconomics and describes how those principles inform managerial decision-making**, in the contexts above and many more. We'll use a variety of real-world examples and current events to illustrate key concepts. **You should expect to leave the course with a firm grip on economic tools for thinking about business problems.**

Before getting into the details, I offer an important note about my pedagogical style: this course is designed to offer a blend of in-depth learning and an engaging, enjoyable experience with lots of experiential learning and vibrant class discussion. ***Bring your curiosity and enthusiasm to make the most of it!***

Textbook

We are using *Principles of Microeconomics*, by Robert Frank, Ben Bernanke, Kate Antonovics, and Ori Heffetz. There is an online version of the text, which you can access here:

- <https://www.mheducation.com/highered/product/principles-microeconomics-2024-release-frank-bernanke/M9781265399672.html>

Alternatively, you can access the text via the “Equitable Access” program via UCD, which will allow you to pay a flat fee for all course textbooks and coursepacks. You should be able to access the program via Canvas, and can read more about it here:

- <https://ucdavisstores.com/EquitableAccess>

Class expectations and etiquette

You should read the assigned chapters prior to class sessions, and the material in those chapters will provide a foundation for any class session pre-work or in-class exercises. The lectures will presume some familiarity with the material. You are responsible for all material in the assigned chapters and any appendices associated with those chapters, unless we explicitly state otherwise; my class notes will be the best guide to what's important for quizzes and the final exam.

I will provide my PowerPoint slides for each class in advance; those slides will contain most, but not all, of what we cover in class. If you miss class, catching up (for example, by getting lecture notes from a classmate) is your responsibility.

Class rules are simple: act as you would in any other professional setting. Turn off all cell phones, computer sound, and so on. Refrain from speaking when others are speaking. **If you must miss class, arrive late or leave early you need to let me know ahead of time.**

I prefer to be flexible regarding laptop use for class purposes such as taking notes. However, I reserve the right to modify the laptop policy at any time, based on feedback I receive from students during the term.

### Workload and how to do well

This is a 4-unit course. Under the policies adopted by the GSM, you should expect an average of four hours per week of instruction (including breaks). The approximate hourly workload out of class should be 4-12 hours. For success, I would recommend at minimum that you:

- Attend all sessions
- Read each chapter both before and after each session
- Actively think about and participate in pre-work, class discussions and exercises
- Work through practice questions/materials before each exam

### Grading

There are four items that will make up your grade. The items total to 100 points:

- Two quizzes worth 25 points each during the quarter
- A comprehensive final exam worth 35 points
- Class participation/contribution, worth 15 points

You may substitute **one** quiz grade with your final exam grade, should it be higher than any quiz. If you miss one quiz, your final grade will automatically replace it.

### Class participation/contribution

This course requires active engagement with the material, and in-class discussions and exercises are a vital part of my pedagogical approach. To that end, class participation/contribution will be a part of your grade, based on the following:

1. Completion of short pre-work assignments on Canvas, and quality of contributions to in-class discussions related to those assignments (10 points). Those will generally ask you to think about a key concept for the upcoming lecture and answer questions, or perhaps read and comment on a current event article;
2. Participation (as measured by attendance assessed in-app) in our in-class iClicker and Moblab exercises (5 points). You will receive more information about iClicker and Moblab prior to the first class.

## Quizzes

The quizzes and final exam will be offered online through Canvas during a specified time window spanning a few days, and you can take them in any window of your choosing in that time period. Before each quiz, we will spend some time on review questions in the exact format as the quiz questions. Those will be the best preparation. At the end of each chapter is a series of problems/questions that will also serve as useful practice, and answers to those questions will be made available to you on Canvas.

## Office Hours

We will have a teaching assistant (TA), who will be available for office hours and via email to answer questions. I am available to meet via email, during Zoom office hours and by Zoom or in-person appointment; please email me if you would like an appointment to meet.

## Statement on Accommodation

UC Davis is committed to educational equity in the academic setting, and in serving a diverse student body. All students who are interested in learning about how disabilities are accommodated can visit the [Student Disability Center](#) (SDC). If you are a student who requires academic accommodations, please contact the SDC directly at [sdcc@ucdavis.edu](mailto:sdcc@ucdavis.edu) or 530-752-3184. If you receive an SDC Letter of Accommodation, submit it to your instructor for each course as soon as possible, at least within the first two weeks of a course.

## Rights and Responsibilities

All participants in the course, instructor and students, are expected to follow the UC Davis [Principles of Community](#), which includes affirmation of the right of [freedom of expression](#), and rejection of discrimination. The right to express points-of-view without fear of retaliation or censorship is a cornerstone of academic freedom. A diversity of opinions with respectful disagreement and informed debate enriches learning. However, in this course, any expression or disagreement should adhere to the obligations we have toward each other to build and maintain a climate of mutual respect and caring. You are expected to take UC Davis's [Code of Academic Conduct](#) as seriously as we do. You were given this code of conduct with explicit explanations of violations (e.g. plagiarism, cheating, unauthorized collaboration, etc.) and your responsibilities in regard to them during orientation, and you signed a statement affirming that you understand it. **Academic conduct violations will not be tolerated, and your instructor will not hesitate to turn violators over to Student Judicial Affairs.** If you are uncertain about what constitutes an academic conduct violation, please refer to the code linked above, contact your instructor, or refer to the [Office of Student Judicial Affairs](#).

## Safety and Emergency Preparedness

UC Davis has many resources to help in case of emergency or crisis. While reviewing campus [Emergency Information](#), you may want to register for UC Davis Warn Me and Aggie Alert, which will give you timely information and instructions about emergencies and situations on campus that affect your safety. If there is an emergency in the classroom or in non-Davis locations, follow the instructions of your instructor.

### Student Wellness

You deserve respect, and are encouraged to [practice self-care](#) so that you can remain focused and engaged; that might mean getting a drink of water, leaving to use the restroom, taking a moment to stretch, or doing something else you need to do to take care of yourself. Please be respectful of others by minimizing distractions when practicing self-care – especially in lab, field or studio settings where safety is imperative. You can visit [Virtual UC Davis](#) to find resources related to health and well-being, academics, basic needs (food and housing) and more.

### Disclaimer

Unexpected events might require elements of this syllabus to change. Your instructor will keep you informed of any changes.