

Department of Economics (St. George)
ECO 404: Topics in Managerial Economics Spring 2019

Ajaz Hussain
Lectures: 5 – 8 pm, Wednesdays, BA B024
Office Hours: 6 – 7 pm, Tuesdays, GE 213
E-mail: sayed.hussain@utoronto.ca

ANNOUNCEMENTS

- **Posted January 11, 2019:** Welcome to ECO 404 Spring 2019! Please see revised syllabus below. Please purchase the case and download data for the Jan 16th class here: <https://hbsp.harvard.edu/import/598185>. Please bring the case and a laptop pre-loaded with econometric software to class.

COURSE DESCRIPTION, LEARNING OUTCOMES, PRE-REQUISITES

Students will utilize economic and statistical methods to discuss, analyze, model, present, and write papers on a variety of managerial-economics cases. By the end of this course, students will be able to:

- Analyze, identify, formulate, articulate, and present a structured solution to the salient issue(s) in real life business-economics cases.
- Formulate appropriate econometric models to investigate particular business-economics hypotheses.
- Build models involving Monte-Carlo simulation, Optimization, and advanced Econometric methods.
- Work cooperatively in a small group environment
- Compose professional level presentations, quantitative models, and business reports.

All students must meet the pre-requisites listed at <https://fas.calendar.utoronto.ca/course/ECO404H1>: ECO200Y1(75%)/ ECO204Y1/ ECO206Y1; ECO220Y1/ ECO227Y1/ (STA220H1, STA255H1)/ (STA237H1, STA238H1)/ (STA257H1, STA261H1); ECO372H1/ ECO374H1/ ECO375H1; at least one FCE in ECO at the 300 level or higher.). Please note that the Economics Department will check prerequisites requirements manually and (ultimately) eject students who do not meet prerequisites (i.e. being able to register for this course on ACORN doesn't mean that you have satisfied all prerequisites).

INSTRUCTOR

Name: (Sayed) "[Ajaz](#)" (Hussain)

Office: GE 212

Office Hours: Tuesdays 4:30 – 7 pm in GE 213 or by appointment (office hours start September 18th)
I will have extra office hours before tests and projects.

COURSE MATERIAL

[Required] ECO 404 Spring 2019 Cases

“Cases” will be available for purchase in “batches” from the Harvard Business School Press website. Students will be informed through Quercus when a particular case packet is available for purchase.

[Required] Excel 2016 running on Windows OS on a “Windows-PC” machine. Please install the following add-ins (please note that some of the following add-ins won’t work on Apple machines (even Apple machines with Windows-OS):

1. [“Solver add-in”](#)
2. [“Data Analysis add-in”](#)
3. [“FRED Excel Add-in”](#)
4. [“Monte-Carlo Simulations Add-in”](#)

[Required] “Econometrics software” (such as Stata, Matlab, R). Highly-recommended: Stat-tools (available for \$50 at <http://www.palisade.com/>)

[Highly Recommended] Ajaz’s Excel & Stat-tool video-lessons on [YouTube](#)

COURSE GRADING SCHEME

Component	Percentage of Overall Course Grade
Round 1 <u>Group</u> “Summary” (for assigned group)	5
Round 1 <u>Solo</u> “Case Discussion” (for assigned group; class prior to group presentation)	5
Round 1 <u>Group</u> “Case Presentation” (for assigned group)	10
Round 1 <u>Solo</u> “Case Presentation Q&A” (immediately after group presentation for members of assigned group)	5
Round 1 Solo “Paper” (for assigned students; due prior to group presentation)	5
Round 2 <u>Group</u> “Summary” (for assigned group)	5
Round 2 <u>Solo</u> “Case Discussion” (for assigned group; class prior to group presentation)	5
Round 2 <u>Group</u> “Case Presentation” (for assigned group)	15
Round 2 <u>Solo</u> “Case Presentation Q&A” (immediately after group presentation for members of assigned group)	5
Round 2 Solo “Paper” (for assigned students; due prior to group presentation)	15
Test #1 (covers Cases 1 – 4)	10
Test #2 (covers Cases 5 – 8)	15
Total	100

CLASS PLAN

		1st Half of Class (5:10 pm - 6:30 pm)					2nd Half of Class (6:40 pm - 8 pm)				
Session	Date	Summary (Group)	Discussion (Solo)	Presentation (Group)	Present Q&A (Solo)	Solo Paper	Summary (Group)	Discussion (Solo)	Presentation (Group)	Present Q&A (Solo)	Solo Paper
1	1/16/2019	Introduction. Discuss "Compass Maritime Case". Assign students into groups "A, B, C, D" for Round #1 (Cases 1 - 4)									
2	1/23/2019	Case 1: C	Case 1: A & C				Case 2: D	Case 2: B & D			
3	1/30/2019			Case 1: A	Members of A	Case 1: C			Case 2: B	Members of B	Case 2: D
4	2/6/2019	Case 3: A					Case 4: B				
5	2/13/2019		Case 3: A & C	Case 3: C	Members of C	Case 3: A		Case 4: B & D	Case 4: D	Members of D	Case 4: B
6	2/27/2019	Test # 1 (on Cases 1 - 4)									
7	3/6/2019	Case 5: C	Case 5: A & C				Case 6: D	Case 6: B & D			
8	3/13/2019			Case 5: A	Members of A	Case 5: C			Case 6: B	Members of B	Case 6: D
9	3/20/2019	Case 7: A					Case 8: B				
10	3/27/2019		Case 7: A & C	Case 7: C	Members of C	Case 7: A		Case 8: B & D	Case 8: D	Members of D	Case 8: B
11	4/3/2019	Test # 2 (on Cases 5 - 8)									

Notes:

- Please bring “name tent cards” and a laptop with econometric software to each class.
- **“Summary (Group)”**: All members of the assigned group will summarize the assigned case in a ‘power point group presentation’ (maximum 10 minutes). For example, in class #2: Group C will “summarize” Case 1 and Group D will “summarize” Case 2. Each “group summary” is worth 5% of the course grade.
- **“Discussion (Solo)”**: Each member of the assigned group will discuss the assigned case. For example, in class #2: each member of groups A and C will “discuss” Case 1 while each member of groups B and D will “discuss” Case 2. Each discussion session is worth 5% of the course grade. “Solo Discussions” graded on 0 – 3 scale: 0 points = absent, 1 point = poor quality 2 points = good quality; 3 points = excellent quality
- **“Presentation (Group)”**: All members of the assigned group will present their analysis of the assigned case in a ‘power point group presentation’ (maximum 20 minutes). For example, in class #3: Group A will “present” Case 1 and Group B will “present” Case 2. In “Round 1”, a group presentation is worth 10% of the course grade and in “Round2”, a group presentation is worth 15% of the course grade. See “group presentation” rubric and guidelines below.
- **“Presentation Q&A (Solo)”**: Following a group presentation, there will be a “solo Q&A” session with each member of the assigned group on the assigned case. For example, in class #3: each member of Group A will do a Q&A session (on an individual student basis) on Case 1 and each member of Group B will do a Q&A session (on an individual student basis) on Case 2. Each of the two Q&A sessions is worth 5% of the assigned student’s course grade.
- **“Paper (Solo)”**: Each member of the assigned group will write an individual paper with their analysis of the assigned case. For example, before the start of class #3: each member of Group C will submit an individual paper on Case 1 and each member of Group D will submit an individual paper on Case 2. In “Round 1”, a solo paper is worth 5% of the course grade and in “Round 2”, a solo paper is worth 15% of the course grade. See “solo paper” rubric and guidelines below
- **“Test #1”**: Test on cases 1 – 4. Students will need to use a laptop for data, statistical, and econometric analysis.
- **“Test #2”**: Test on cases 5 – 8. Students will need to use a laptop for data, statistical, and econometric analysis.
- Please note:
 - If you miss a class in which you were supposed to “summarize and discuss” a case: penalty of 10% of the course grade unless you provide a valid excuse *and* write a 15-page paper on a makeup-case assigned by the instructor. You must inform the instructor that you missed class by e-mailing the instructor within 48 hours of missing class. You must submit the paper within seven days after the instructor has e-mailed you the makeup-case.

- If you miss a class in which you were supposed to “discuss” a case: penalty of 5% of the course grade unless you provide a valid excuse *and* write a 10-page paper on a makeup-case assigned by the instructor. You must inform the instructor that you missed class by e-mailing the instructor within 48 hours of missing class. You must submit the paper within seven days after the instructor has e-mailed you the makeup-case.
- If you fail to submit a solo paper by the deadline:
 - In round 1: a penalty of 5% of the course grade unless you provide a valid excuse *and* write a 10-page paper on a makeup-case assigned by the instructor.
 - In round 2: a penalty of 15% of the course grade unless you provide a valid excuse *and* write a 20-page paper on a “makeup-case” assigned by the instructor.
 - You must inform the instructor that you failed to submit the paper by e-mailing the instructor within 48 hours of the deadline. You must submit the paper within seven days after the instructor has e-mailed you the makeup-case.
- If you fail to “present” an assigned case and/or engage in the “solo Q&A” session on the assigned case:
 - In round 1: a penalty of 15% of the course grade unless you provide a valid excuse *and* write a 20-page paper on a makeup-case assigned by the instructor
 - In round 2: a penalty of 20% of the course grade unless you provide a valid excuse *and* write a 25-page paper on a makeup-case assigned by the instructor.
 - You must inform the instructor that you missed the group presentation and/or Q&A session by e-mailing the instructor within 48 hours of the deadline. You must submit the paper within seven days after the instructor has e-mailed you the makeup-case.
- If you miss Test #1: a penalty of 10% of the course grade unless you provide a valid excuse *and* write a 20-page paper on four makeup-cases assigned by the instructor. You must submit the paper within seven days after the instructor has e-mailed you the makeup-cases.
- If you miss Test #2: a penalty of 15% of the course grade unless you provide a valid excuse *and* write a 30-page paper on a makeup-case assigned by the instructor. You must submit the paper within seven days after the instructor has e-mailed you the makeup-case.
- Please note that makeup-cases vary by circumstance; i.e. the makeup-case for missing a “summary” is not the same as the make-up for missing a presentation.
- **“Medical Notes”**: you must provide the instructor with an [original University of Toronto medical certificate](#) (no photocopies or emailed notes) stating that you were too ill to attend the ECO 404 class (take the ECO 404 test/submit the ECO 404 paper) on the specific date and time (sic). The medical note *must* list the physician’s OHIP number. Please note that “illness before the presentation” or “the student would have performed sub-optimally” are not acceptable medical reasons.
- **“Turnitin”**: Please note that all student submissions (“group summary slides”, “group presentation slides and backup files”, “solo papers”, and “test answers”) will be submitted to Turnitin.com. In particular, please note the following statement on “essays” submitted to Turnitin.com: **“Normally, students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University’s use of the Turnitin.com service are described on the Turnitin.com web site”**.

GROUP PRESENTATION RUBRIC

	Excellent	Good	Fair	Problematic
Score:	3	2	1	0
Case Analysis: Arguments, Evidence, Understanding	Clearly identifies salient issue[s] in case. Effective and forceful arguments based on solid economic and (if applicable) econometric analysis. Demonstrates sound understanding of issues and economic/econometric concepts. Clear recommendations and/or findings.	Adequate identification of salient issue[s] in case. Somewhat effective arguments based on adequate use of economic and (if applicable) econometric analysis. Demonstrates adequate understanding of issues and economic/econometric concepts. Adequate recommendations and/or findings.	Inadequate identification of salient issue[s] in case. Poor and/or invalid arguments based on sparse use of economic and (if applicable) econometric analysis. Demonstrates inadequate and/or confused understanding of issues and economic/econometric concepts. Inadequate recommendations and/or findings	Misidentifies salient issue[s] in case. Incorrect arguments which are not based on economic and (if applicable) econometric analysis. Demonstrates little to no understanding of issues and economic/econometric concepts. Lacks recommendations and/or findings
Organization & Flow: Clarity, Conciseness, Structure, Flow, Grammar, Interest to Audience	Presentation has excellent structure and flow. Slides are properly formatted and titled, and effectively and succinctly convey information and/or arguments. Data and econometric analysis (if applicable) presented clearly and effectively. Clear, effective tables, graphs, charts, etc. Excellent backup slides for the Q&A session effectively demonstrating “behind the scenes” analysis. Minimal (if any) errors.	Presentation has less than stellar structure and flow. Some issues with formatting and titles. Slides inadequately convey information and/or arguments. Inadequate presentation of data and econometric analysis (if applicable). Ineffective use of tables, graphs, charts, etc. Backup slides inadequate for Q&A session and ineffectively demonstrating “behind the scenes” analysis. A few minor errors.	Presentation has poor structure and flow. Major issues with formatting and titles. Slides fail to adequately convey information and/or arguments. Data and econometric analysis (if applicable) shoddily presented. Poorly organized tables, graphs, charts, etc. Backup slides completely inadequate for Q&A session and for demonstrating “behind the scenes” analysis. Many minor errors.	Presentation lacks structure and flow. Lots of major issues with formatting and titles. Slides do not convey information and/or argument. Data and econometric analysis (if any) poorly or not presented. Poor, ineffective, use of tables, graphs, charts, etc. No backup slides for demonstrating “behind the scenes” analysis. Many major errors.

Here is a recommended (loose) template for presentations:

- Introduction and opening remarks (“statement of the central issue(s)”)
 - Agenda
 - Overview & Background
 - [If applicable] Data description with summary stats, graphs, and charts
 - Analysis (please list regressions in a single table and report t-stats and/or p-values). Here is an [excellent example](#).
 - Recommendations/conclusion
 - Backup slides and models (you should be able to bring these up in real time)
 - You cannot “go outside” the case; i.e. stick to the facts and data in the case.

Here are two examples of “professional” presentations: [SH&E \(Airline Consulting Firm\) Presentation](#) and [Goldman Sachs presentation to Brown University Corporate Finance 2nd year Undergrad students](#).

Prior the presentation, the assigned group must upload the slide deck and all backup files to “Quercus” (one submission per group). Please name all files as “CASE_TITLE_LAST_NAMES_OF_GROUP_MEMBERS” and list the names of all group members on the title slide/worksheet.

SOLO PAPER RUBRIC

Score:	Excellent 3	Good 2	Fair 1	Problematic 0
Economic Argument, Concepts & Evidence	Clearly stated argument & concepts. Economic reasoning is sound and indicates thorough understanding of concepts discussed in class.	Fairly clear and convincing argument. Adequate use of economic concepts. Demonstrates understanding of topics discussed in class.	Argument is confusing or contradictory. Weak definition/application of economic concepts. Demonstrates some understanding of topics discussed in class.	No clear argument. Confused or no use of economic concepts. Poor quality and little if any displayed evidence of understanding of topics discussed in class.
Organization & Flow	Each main point is written in a separate paragraph, in a logical order. Article closes with a clear and convincing call to action.	Each reason is written in paragraphs, but not necessarily separate. Closing gives a fairly clear and convincing call to action.	Reasons are not written in distinct paragraphs. Closing gives a call to action, although not well supported.	Reasons are not written in good paragraphs and have questionable order. No clear or convincing call to action at close.
Writing – Clarity, Conciseness, Sentence Structure, Grammar, Active Voice, interest to Reader	Easy to read, even for a non-specialist. Writing enhances understanding and interest. Short, clear, correctly structured sentences with active voice throughout. Minimal (if any) errors.	Mostly easy to read. Mostly short, clear, correctly structured sentences with active voice. A few minor errors.	Sentence/word level problems get in the way of understanding, distracting reader in places. Some passive voice and/or jargon.	Significant sentence/word level problems make it difficult for reader to understand argument. Considerable passive voice and/or jargon.

“Round 1” Solo Paper: Max 10 pages long (excluding title page, appendices, and bibliography)

“Round 2” Solo Paper: Max 15 pages long (excluding title page, appendices, and bibliography)

The “paper assignments” are “individual assignments” and therefore it is an academic offense to, amongst other factors, take help from anyone else (see [Code of Behavior on Academic Matters](#)). Here’s a recommended loose template for the paper:

- Introduction and opening remarks (“statement of the central issue(s)”)
 - Agenda
 - Overview & Background
 - [If applicable] Data description with summary stats, graphs, and charts
 - Analysis (please list regressions in a single table and report t-stats and/or p-values). Here is an [excellent example](#).
 - Recommendations/conclusion
- Highly recommended “style guides”: [Economist Magazine Style Guide](#) and [The Elements of Style](#)

Prior to the group presentation, the assigned students must upload their paper and all backup files to “Quercus” (one submission per student) by naming the files “CASE_TITLE_LAST_NAME”. Please list your name on the title slide/worksheet.

ACADEMIC INTEGRITY

Academic integrity is one of the cornerstones of the University of Toronto. It is critically important both to maintain our community that honor the values of honesty, trust, respect, fairness, responsibility; to protect you and the students within this community; and the value of the degree towards which you are all working so diligently. According to Section B of the University of Toronto's [Code of Behavior on Academic Matters](#) which all students are expected to know and respect, it is an offense for students: to obtain unauthorized assistance on any assignment; showing another student completed work (e.g., an answer in a test); to falsify or alter any documentation required by the University. This, includes, but is not limited to, doctor's notes; to use or possess an unauthorized aid in any test or exam; to continue writing the exam after being instructed to stop writing. There are other offenses covered under the [Code](#) but these are by far the most common. Please respect these rules and the values that these protect.
