

Economics and Business (EBGN) 315**Business Strategy****Fall Semester 2016****Instructor: Rod Eggert****Contact information:** 114 Engineering Hall, 303-273-3981, regert@mines.edu**Office hours:** TR 1:45-3:30, and by appointment**Class meeting days/times:** TR 12:30-1:45pm**Class meeting location:** Alderson Hall 291**Web Page:** Blackboard**Instructional activity:** 3 hours lecture, 3 semester hours

Course description from Bulletin: An introduction to game theory and industrial organization at a practical and applied level. Topics include economies of scale and scope, the economics of the make-versus-buy decision, market structure and entry, dynamic pricing rivalry, strategic positioning, and the economics of organizational design. Prerequisite: EBGN201.

Textbook:

Required text: D. Besanko, D. Dranove, M. Shanley, and S. Schaefer, *Economics of Strategy*, 7th edition (John Wiley & Sons, 2016).

Student learning outcomes: At the conclusion of the class students will be able to . . .

1. Understand the microeconomic principles that inform business strategy
2. Apply these principles to evaluating the horizontal and vertical boundaries of firms
3. Evaluate the market environment and competitive position of a firm in its industry
4. Understand the principles of creating and sustaining competitive advantage

Policy on academic integrity/misconduct: The Colorado School of Mines affirms the principle that all individuals associated with the Mines academic community have a responsibility for establishing, maintaining and fostering an understanding and appreciation for academic integrity. In broad terms, this implies protecting the environment of mutual trust within which scholarly exchange occurs, supporting the ability of the faculty to fairly and effectively evaluate every student's academic achievements, and giving credence to the university's educational mission, its scholarly objectives and the substance of the degrees it awards. The protection of academic integrity requires there to be clear and consistent standards, as well as confrontation and sanctions when individuals violate those standards. The Colorado School of Mines desires an environment free of any and all forms of academic misconduct and expects students to act with integrity at all times.

Academic misconduct is the intentional act of fraud, in which an individual seeks to claim credit for the work and efforts of another without authorization, or uses unauthorized materials or fabricated information in any academic exercise. Student Academic Misconduct arises when a student violates the principle of academic integrity. Such behavior erodes mutual trust, distorts the fair evaluation of academic achievements, violates the ethical code of behavior upon which education and scholarship rest, and undermines the credibility of the university. Because of the serious institutional and individual

ramifications, student misconduct arising from violations of academic integrity is not tolerated at Mines. If a student is found to have engaged in such misconduct sanctions such as change of a grade, loss of institutional privileges, or academic suspension or dismissal may be imposed.

The complete policy is [online](#).

Grading:

- Exam #1 (in class): September 15 20% of grade
- Exam #2 (in class): October 13 20%
- Exam #3 (in class): November 15 20%
- Essay: due date to be determined 20%
- Final Exam: date to be determined by Registrar 20%

Coursework Return Policy: Within one week as a goal, within two weeks as a firm commitment.

Absence Policy: See the university's Attendance Policy (<http://inside.mines.edu/Student-Absences>). If you will miss an exam because of an excused absence, you must make alternative arrangements with me *prior to the exam*.

Course Outline

- I. Essentials of Microeconomics

- II. Boundaries of the Firm
 - a. Historical perspectives
 - b. Horizontal boundaries
 - c. Vertical boundaries and integration

- III. Market and Competitive Analysis
 - a. Markets, their definition and structures
 - b. Entry and exit
 - c. Competition over time
 - d. Industry analysis

- IV. Developing and Sustaining Competitive Advantage
 - a. Competitive advantage and value creation
 - b. Information and value creation
 - c. Sustaining competitive advantage