(This is what we covered in class within the last 10 weeks. Hope it helps)

week 1-

Intoduction

week 2-

[Business Growth Strategy - Horizontal and Vertical Integration](https://www.youtube.com/watch?v=uOO4ClVUrkw)

Mergers and acquisitions are ways in which firms can generate growth measured by expectations of higher profits and linked to higher profits is expected higher stock values. Growth in profits in mergers and acquisitions arise through gains: in economies of scale; gains in economies of scope; and, sometime by gains in both economies of scale and scope.

What is the difference between an economy of scale and an economy of scope?

The video features three recent but very different mergers/acquisitions. Use one of these and explain: was the merger/acquisition *predominately* about gaining economies of scale or economies scope?

***OR*﻿**

Identify a recent merger/acquisition and use it to and explain: was the merger/acquisition *predominately* about gaining economies of scale or economies scope?

week 3-

[Oligopolies and monopolistic competition](https://www.khanacademy.org/economics-finance-domain/ap-microeconomics/imperfect-competition/monopolistic-competition/v/oligopolies-and-monopolisitc-competition)

Economists use the elasticity of demand in two ways. Sometimes we are talking about the market demand curve, for example the market for automobiles. At other times we are talking about the firm's demand curve, such as the demand curve for Ford Motors. And sometimes we might even want to talk about the demand for 'Your Friendly Ford Dealer,' the one in your neighborhood.

Pick an industry, the one in which you work or the one in which you aspire to work. Using Sal's scheme for identifying the type of market, is the industry perfectly competitive; monopolistic competitive; an oligopoly; or a monopoly? Is the demand curve for the good or service relatively elastic, unitary elastic, or relatively inelastic?

Now pick a firm within the industry. Is the firm's demand curve relatively elastic, unitary elastic, or relatively inelastic? How does elasticity effect the firm's control over its price?

week 4-

[Porter\’s Five Force and The Economic Models of Market Structure](https://cdnapisec.kaltura.com/index.php/extwidget/preview/partner_id/956951/uiconf_id/38285871/entry_id/0_omjj8t4r/embed/dynamic)

Based on last week's discussion, select a monopolistic competitive firm and an oligopoly firm. Then apply Porter's five forces and***compare***:

1) What are the challenges to profits faced by each firm?

2) Which firm is likely to have a much higher rate of return?

3) What challenges to profits arise due to supply chain and intermediary consumers such as processor and distributors.

week 5-

[Examples of Price Discrimination - Economics Help](https://www.economicshelp.org/blog/7042/economics/examples-of-price-discrimination/)

The idea that transactions in a market place work like an invisible hand is to some extent the idea that when a person chooses to buy an item at a given price they are happy with the deal. There is no coercion. If the person really does not like the deal they simply walk away.

Given that background. Your business partner is strongly opposed to your proposal to charge your largest customers lower prices for your web-based services than you will charge your smaller customers? She is arguing it is unethical. Explain why both customers will be satisfied with the deal. What kind of price discrimination is this type of segmentation and how will the plan increase revenue?

week 6-

Sequential-Move Game Strategy

In the text, we consider a sequential-move game in which an entrant was considering entering an industry in competition with an incumbent firm (See Figure 15-1). Consider now that the entrant, if fought, has the possibility of withdrawing from the industry (at a loss of 1 for the entrant and a gain of 8 for the incumbent), or staying at a loss of 5 for each player). What is the equilibrium of this game? Discuss if the entrant is better off with or without the ability to withdraw.

I have added a diagram of the game to help you see the options.

week 7-

[Type I, II Errors in Recruiting](https://www.recruiter.com/i/type-i-ii-errors-in-recruiting/)

Type I and Type II Decision Error Costs

The HR department is trying to fill a vacant position for a job with a small talent pool. Valid applications arrive every week or so, and the applicants all seem to bring different levels of expertise. For each applicant, the HR manager gathers information by trying to verify various claims on resumes, but some doubt about fit always lingers when a decision to hire or not to hire is made.

* What are the Type I and Two decision errors costs?
* Which decision error is more likely to be discovered by the CEO?
* How does this affect the HR manager's hiring decisions?

week 8-

[Asymmetric Information and Used Cars](https://www.youtube.com/watch?v=sXPXpJ5vMnU)

Many police officers positions require the applicant to have a college degree even though the tasks of a police officer rarely call upon college course material. Why don't police departments increase their applicant pool by dropping this requirement?

Be sure to cite all source used.

week 9-

[Another Wells Fargo CEO steps down; ‘about damn time,’ longtime critic Elizabeth Warren says](https://www.nbcnews.com/business/business-news/another-wells-fargo-ceo-steps-down-about-damn-time-longtime-n988671)

This week we look at the principle-agent problem and what when wrong at Wells Fargo. After another CEO Tim Sloan the CEO who was suppose to restore the bank's reputation stepped down March 28, 2019 there are still huge questions. <https://www.americanbanker.com/news/fed-wont-lift-wells-fargo-cap-until-deficiencies-are-fixed-powell>

What about the incentive system resulted in massive creation of fake accounts by the retail operation and why did it only get worse from there? As you dig into this remember Froeb's rule from Chapter 1"Avoid the temptation to think about the problem from the employee's point of view...{and ask} how does the organization give employees enough information to make good decisions and the incentives to do so?"

week 10-

Loyalty Payments and Supply Chain Rules

Loyalty Payments-Supply Chain Rules

Intel made large loyalty payments to HP in exchange for HP buying most of their chips from Intel instead of rival AMD. AMD sued Intel under the antitrust laws, and Intel settled the case by paying $1.25 billion to AMD.

* What incentive conflict was being controlled by these loyalty payments?
* What advice did Intel ignore when they adopted this practice?
* Why did they ignore it?