Econ 106T: The Economics of E-Commerce and Technology


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Description: This class analyzes the the economics of e-commerce and technology. It will identify the critical features that differentiate the technology firms from traditional industries, and examine business strategies. The class will discuss topics such as network effects, switching costs, and platform markets. To complement the economic theory, we will also consider a case study of a firm each week. These have three aims: to provide applications for the concepts developed in the lectures; to inform you about different industries; and to help develop your written, rhetorical and presentation skills. Evaluation is through participation, case write-ups, a final paper and a final.

Prerequisites: Econ 11, Econ 41, Econ 101.

Important dates:
Friday 8th Nov - Final project proposal due
Thurs 28th Nov - Thanksgiving
Friday 6th Dec - Final projects due
Tuesday 10th Dec - Final, 8:00am-11:00am
Lectures and Labs

Timing:
Lec 1: T,R 9:30-10:45, PA 2270.
Lec 2: T,R 11:00-12:15, PA 2270.
Lab 1: F 9:00-10:15, PA 2270.
Lab 2: F 10:30-11:45, PA 2270.

Lectures: These will be devoted to covering theoretical background used to study technology and e-commerce markets. I will discuss applications to illustrate the concepts, but this the lectures will contain math.

Lab Lectures: These will be used to discuss the cases. We are also fortunate to be joined by a number of esteemed alumni. Each case will be opened by one group of students. Since participation is crucial to the function of the labs, attendance to the lab is compulsory and will be recorded. Some of our guests travel from the Bay Area to help out with the class, so please be punctual. If you are late, you will be counted as being absent.

Lab Sections: These will be used to practice (and select) group presentations for Friday. Each week, your TA will pick 3 groups, run through your presentations and give you advice about style and substance.

Timetable: There may be changes, but I anticipate the schedule will be as follows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Guest</th>
<th>Lecture</th>
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<tbody>
<tr>
<td>27th Sep</td>
<td>-</td>
<td>Tutorial - Introduction to Cases</td>
</tr>
<tr>
<td>4th Oct</td>
<td>James Min</td>
<td>Facebook, HBS 9-808-128</td>
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<tr>
<td>11th Oct</td>
<td>Yair Landau</td>
<td>Electronic Arts, HBS 9-804-140</td>
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<tr>
<td>18th Oct</td>
<td>Greg Isaacs</td>
<td>eBay and Amazon, HBS 9-712-405</td>
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<tr>
<td>25th Oct</td>
<td>Kieran Nolan</td>
<td>TBA</td>
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<td>1st Nov</td>
<td>TBA</td>
<td>TBA</td>
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<tr>
<td>8th Nov</td>
<td>Terry Kramer</td>
<td>Android, Stanford SM-176</td>
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<tr>
<td>15th Nov</td>
<td>Gary Schoenfeld</td>
<td>TBA</td>
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<tr>
<td>22nd Nov</td>
<td>Barry Eggers</td>
<td>Netflix, HBS 9-607-138</td>
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<td>29th Nov</td>
<td>Mr Butterball</td>
<td>Gobble, Gobble</td>
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<tr>
<td>6th Dec</td>
<td>Simon Board</td>
<td>TBA</td>
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Work

Groups: You should form a group of 3 people. If you cannot find people, let your TA know and they will match you to someone in the same section.

Case write-ups: Each Friday, at end of lab lecture, your group will need to hand in a case write-up, answering several short-answer questions. Be brief: maximum 3 pages, 1.5 spacing, font 11, normal borders. We will grade 5 of these (I’m not telling you which). You can drop the lowest score.

Projects: A project is essentially a mini case study of a firm your group picks. Every group writes on a different firm, allocated on a first-come, first-served basis. A spreadsheet of projects is found at http://goo.gl/XpqF5H. To ensure that your project is feasible you will need to hand in a proposal by Friday Nov 8th. The project itself is due by 11:59pm of the last day of class (Friday Dec 7th) via TurnItIn on your MyUCLA page.

Final: The final consists of one case. You have 3 hours. The exam is closed book, but you are allowed 10 sides (5 pages) of notes. You will write on the exam, so you don’t need a blue book. For both sections, the exam is on Tuesday 10th Dec, 8:00am-11:00am.

Main class grading: 10% participation, 30% Case write-ups, 30% Final project, 30% Final.

Lab grades: 40% participation in lab lectures; 30% attendance in lab lectures; 30% participation in lab sections.

Acknowledgements

This class has been greatly improved by input from Eric Budish, Peter Coles and Terry Kramer.