

# Lesson Study in Economics: Learning about Learning about Oligopolies

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## BACKGROUND

**Course:** Intermediate Microeconomic Theory

### Student Learning Goals

#### Discipline based goal:

Improve critical thinking

Be able to apply economic models in the real world

#### Lesson-specific goals:

For students to be able to:

1. Understand, distinguish, and interpret three models of oligopoly
2. Compare and contrast the different models of oligopoly
3. Identify which model to use under various circumstances
4. Identify a real-world oligopoly and apply the correct model to understand the strategic actions of agents in an oligopoly

### The Lesson:

This was the first lesson study project performed in Intermediate Microeconomic Theory, and hence, the priority was to learn about how students learn. We chose a particularly difficult but significant topic: Oligopolies. This lesson generally occurs near the end of the semester, it requires an accumulation of knowledge over the course of the semester, and has real-world applications. The Lesson Study occurs over several days and across two semesters. We are currently ½ way through the Lesson Study.

## THE LESSON

### Major Steps:

1. Students participated in a pre-test that built on prior knowledge and mathematical examples
2. Students analyzed the pre-test results and listened to lecture about oligopolies
3. Students discuss the ways in which firms could act differently once they are competing with more than one in a market
4. Students are exposed to corresponding theoretical models
5. Students work in groups on problems related to each model
6. Students identify a real-world oligopoly and apply the correct model to understand and predict how that oligopoly will behave

## THE STUDY

We collected and analyzed data from the student pre-test, the post-test and a similar question provided on a more high stakes exam, as well as faculty observations of the lesson study.

### Key Findings

Pre-test, low-stakes and high-stakes testing indicated that only the top students could successfully accomplish the mathematics, recognize and apply the models.

Faculty Observations indicated several issues:

Students could not see the “forest for the trees” and got bogged down in the mathematics of the lesson.

Even though students seemed to be engaged in the material, they were not asking questions that should have naturally come up if they understood the material. For example, it was not natural for students to ask the following sorts of questions once the oligopoly model was solved: How does this outcome compare to monopoly outcomes? How does it compare to the perfectly competitive outcome? Are consumers worse off?