



BECO 4310-006: Applied Business Economics

Syllabus 2014 Spring

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<i>Office hours</i>	MTWR 2:00-3:00 PM, F 12:00-1:00 PM, and by appointment.
<i>Office</i>	BA W324
<i>Class</i>	MWF 1:00-1:50 PM, BA 005
<i>Website</i>	http://giberson.ba.ttu.edu/BECO4310

Course description

The purpose of the course is to provide an understanding of how economics analysis can be productively applied to business decisions and strategy. Topics may include business valuation, pricing strategy, risk management, contracts, and organizational economics. Prerequisites for the course are ECO 2301 and ECO 2302.

Course materials

Primary course materials are Daniel Marburger and Ryan Peterson, *Economic Decision Making Using Cost Data: A Manager's Guide* (Business Experts Press, 2013) and a "coursepack" of business cases and readings from Harvard Business Publishing: <https://cb.hbsp.harvard.edu/cbmp/access/23727866>. Instructions for accessing the coursepack will be emailed to students before the semester begins.

The Marburger and Peterson book is available from a variety of sources online. The publisher offers an electronic version for \$19.95 at <http://ebooks.businessexpertpress.com/Books/9781606495131>.

Additional readings will be posted on the course website at <http://giberson.ba.ttu.edu/BECO4310>.

Expected Learning Outcomes

After completing this course, students are expected to be able to:

- Explain the similarities and differences between opportunity costs and accounting costs;
- Estimate demand and supply relationships and apply those estimates in business contexts;
- Apply economic analysis to pricing strategy issues and understand the broader socioeconomic context of pricing decisions;
- Identify the key components of firm organization and firm objectives;
- Identify uncertain factors in long-term and employ appropriate risk management tools to guide decision making under uncertainty; and,
- Develop and use spreadsheets and other software tools to practical business issues.

Methods of Assessing Outcomes

Case study assignments – Each student will be required to submit a brief “case memo” for each of the twelve cases to be discussed in class. Case memos must be turned in on paper at the beginning of class on the first day that the case will be discussed in class. These assignment dates will be announced in class and clearly marked on the online course schedule.

Group case memos – Each student will collaborate on two brief case memos, one during the class period just before the midterm exam and the second prior to the final exam. Additional details on this in-class activity will be provided in advance of the assignments.

In-class activities – A number of classes will involve brief in-class activities. You must be present, participate in the activity, and ensure your name is recorded on the day’s record sheet in order to obtain credit for your participation in these activities. These opportunities are not announced in advance.

Midterm exam – The midterm exam is planned for March 7.

Final exam – The final exam is scheduled for Thursday, May 8, from 1:30 to 4:00 PM.

Grading

This course has a total of 100 points available, allocated as letter grades in the following manner:

- A (Excellent) 90 – 100
- B (Good) 80 – 89.9
- C (Average) 70 – 79.9
- D (Inferior) 60 – 69.9
- F (Failure) 0 – 59.9

Your overall course average will be rounded up to the nearest tenth of a point. (An average fractionally above an 89.9 will become an A, but at an average of exactly 89.9 or below will be a B. Similarly at the grade boundaries at 79.9, 69.9, and 59.9. I may adjust the dividing lines between letter grades modestly if it makes sense to do so.)

Points toward your course average are available as follows:

- Case study assignments..... 30 points
- Group case memos 10 points (2 x 5 each)
- In-class activities 10 points (10 x 1 each)
- Midterm exam 25 points
- Final exam 25 points

“Cold Calling” Policy

Come to class prepared to contribute. It will be my practice to call on students to summarize or otherwise contribute to discussions of the case studies and other readings. If I call on you and you are not prepared to discuss assigned readings, you may lose one “in-class activities” point. If you are not prepared to contribute to class discussion, you may notify me before class begins and I will not call on you that day.

Policy on Late Assignments and Missed Exams

Late case memos will be accepted for up to 24 hours beyond the original due date and time. Late case memos *must* be submitted by email and *only* late case memos may be submitted by email (therefore all case memos submitted by email will be treated as late). If you know you will miss class, please make arrangements to have your assignment turned in during class or bring it to my office *before* the due date.

It is your responsibility to turn in assignments on time. Rely on the BA printers at your own risk. It is recommended that you *do not* wait until just before class time to attempt printing your assignments.

Make arrangements with the instructor if you miss either of the two scheduled group case memos or miss either exam. You cannot make-up or substitute for missing in-class activities except for absences due to university-sponsored trips or due to observing religious holy days.

Academic Integrity / Dishonesty (Operating Procedure 34.12)

As stated in the TTU Catalog: "It is the aim of the faculty of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. The attempt of students to present as their own any work that they have not honestly performed is regarded by the faculty and administration as a serious offense and renders the offenders liable to serious consequences, possibly suspension."

Disability Accommodation (Operating Procedure 34.22)

Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements. Students should present appropriate verification from Student Disability Services during the instructor's office hours. Please note: instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, please contact Student Disability Services in West Hall or call 806-742-2405.

Attendance

In general, I expect that you will be in class and assume that if you choose not to be in class it is for good reason. A student who will miss class due to a university-approved trip or to observe a religious holy day should make that intention known to the instructor prior to the absence so that accommodations can be made in accordance with university policies. You do not need to present me with doctor's notes in the event of an illness. However, please do contact me if an illness will keep you from attending multiple classes.

When you miss class, it is your responsibility to catch up or cover missing materials or assignments. The class website and your fellow students should be your first recourse in such cases, not your instructor.

Religious Holy Day Observance (Operating Procedure 34.19)

A student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day will be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence.

Course Communication

Course announcements, assignments, supplemental readings, and any changes to this syllabus will be discussed in class and posted to the class website at <http://giberson.ba.ttu.edu/BECO4310>.

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Course schedule and assignment due dates 2014 Spring

Date	Assigned Cases and Readings
JAN 15	
JAN 17	M&P Ch. 1
JAN 22	CASE-1 George's T-Shirt (Case memo due)
JAN 24	M&P Ch. 2
JAN 27	CASE-2 Old Mule Farm (Case memo due)
JAN 29	"Relevant Costs and Revenues"
JAN 31	"Relevant Costs and Revenues" – cont.
FEB 3	CASE-3 Salem Telephone (Case memo due)
FEB 5	
FEB 7	"Creative destruction."
FEB 10	CASE-4 Catawba Industrial (Case memo due)
FEB 12	M&P Ch. 3
FEB 14	M&P Ch. 3 – cont.
FEB 17	CASE-5 Springfield Nor'easters (Case memo due)
FEB 19	Continue case 5 discussion
FEB 21	Reading TBD – pricing and consumer behavior
FEB 24	CASE-6 Uber (Case memo due)
FEB 26	M&P Ch. 4 Class discusses reading
FEB 28	M&P Ch. 4 – cont.
MAR 3	
MAR 5	Group case memo activity - 1.
MAR 7	MIDTERM
MAR 10	CASE-7 Superior Manufacturing (Case memo due)
MAR 12	Continue case 7 discussion
MAR 14	
MAR 24	
MAR 26	M&P Ch. 5
Mar 28	M&P Ch. 5 – cont.
MAR 31	CASE-8 Landau Company (Case memo due)
APR 2	Continue case 8 discussion
APR 4	Reading TBD-Economics reading
APR 7	CASE-9 Birch Paper Company (Case memo due)
APR 9	Continue case 9 discussion
APR 11	Reading TBD-Economics reading
APR 14	M&P Ch. 6
APR 16	CASE-10 George's T-shirt Addendum (Case memo due)
APR 18	Continue case 10 discussion
APR 23	CASE-11 Superior Manufacturing (Case memo due)
APR 25	Continue case 11 discussion
APR 28	CASE-12 Kimpton Hotel (Case memo due)
APR 30	Continue case 12 discussion
MAY 2	
MAY 5	Group case memo activity - 2.
MAY 8	FINAL EXAM 1:30-4:00 PM

Course Schedule Notes:

The schedule and assigned due dates are subject to change as the semester progresses. Key changes will be announced in class and posted to the class website.

“M&P” in the schedule refers to text by Marburger and Peterson, *Economic Decision Making Using Cost Data: A Manager’s Guide*.

Cases 1-5, 7-12 and the “Relevant Costs and Revenues” reading are contained in the coursepack available from Harvard Business Press.

Case 6 and other readings will be made available via links from the class website.

Classes with no assigned readings may involve in-class activities, lectures, further discussion of course materials or other course-related activities.