

Economics 7100-003 Economics for the Global Executive
Spring 2016

Dr. David M Kemme (dmkemme)Kemme
405 Fogelman Bus. Adm. Bldg.
678-5408

9:40-11:05 TR
BB 269

dmkemme@memphis.edu

Office Hours: 4:00-5:00 TR & by apt.

GA: Dariya Ainekova

364 Fogelman Executive Center

678-4302, dinekova@memphis.edu

Office Hours: tbd

This course is a required course in the MBA program, one course of many designed to assist you in attaining the learning objectives of the MBA degree. The overall learning objectives for the MBA may be found at:

<http://www.fcbeassessment.net/LearningOutcomes/MBADegreeLearningOutcomes.pdf>

Course overview, requirements, expectations and grading

“Essential economic theory and its application to business and economic issues. Consumer behavior, managerial economics and strategy, market structure in a global context.” From *The Graduate Catalog*. The exact content and topics may vary with the interests of students, e.g. based upon their internship activities or other business experiences. The emphasis will be on problem identification, theoretical and data analyses that lead to practical solutions.

Prerequisites: admission to CDMBA or IMBA program. Basic skills in mathematics and excellent communication skills are assumed.

Course objectives:

- Understand the fundamentals of markets.
- Identify the determinants of supply and demand.
- Understand and apply marginal analysis for both consumers and firms.
- Appreciate the business environment, including the roles of market structure and business cycles in a global context.
- Understand game theoretic implications for business strategy.

Required text: McGuigan, James R., R. Charles Moyer and Fredrick H. deB. Harris, *Managerial Economics: Applications, Strategy and Tactics, 13th Ed.* (Mason, OH, South-Western Cengage, 2013) ISBN-13 978-1-285-42092-9.
Henceforth, MMH.

Recommended: For background material any principles of economics text, for example *Economics: Principles and Applications*, the text by Robert Hall and Marc Lieberman being used here at the U of M and available at the university book store. (Possibly in the Micro and Macro “split” editions). *The Economist* and *The Wall Street Journal* will also be utilized throughout the semester. There may

be additional readings assigned in class. These will be distributed electronically or in class. All course materials, syllabus, problem sets, power point slides, etc., will be found when you log into E-Courseware. Note this section is a “face-to-face” section of Econ 7100 limited only to CDMBA/IMBA students. E-Courseware will be used mainly for communication purposes not as a means of delivering content. Therefore, class attendance is critical.

Teams: Student teams will be formed. There will be one team project presented near the end of the semester, a contemporary issue brief presented by a team each week and various “snap” assignments completed by teams or individuals through the semester. The teams will be self-managed and the specific activities of each team member will be determined by the team. They may also form the basis of study groups.

Contemporary issue briefings: Each week I and a specific team will identify a current issue, ranging from economic policy issues like one aspect of the health care reform or a policy response to the financial crisis, or specific problems a student may face at their internship company, to discuss in class. The team will prepare a succinct presentation (12 minutes maximum) that identifies the issue or problem, the essential economic theory and a data-driven solution. The problem may be identified in the press, but the analysis must employ original source data, not newspaper descriptions or opinion. *The Economist Guide to Economic Indicators 6th Edition* (London: Profile Books Ltd., 2006) and Constable, Simon and Robert E. Wright, *The Wall Street Journal Guide to the 50 Economic Indicators that Really Matter* (New York: Harper Business, 2011) provide a helpful starting point in identifying data sources for this analysis. Nearly all data sources are available at on-line public sites.

Snap assignments: Occasionally as a result of class discussions or internship projects a problem will arise that we do not have time to address thoroughly in class. These will be identified and assigned to a team. Problems from the text may also be assigned to a team. The team will then make a brief presentation during the very next class.

Attendance: attending class is a valuable part of the learning experience. Part of the course grade is determined by participation and a very large part on team projects presented in class. Attendance, *per se*, will not be monitored, but do not expect any additional assistance for information or materials missed as a result of non-attendance other than medically excused illness.

Examinations and grading: There will be one midterm and a final examination. They will carry equal weight (33.3% each), in determining the course grade. In addition, there is a required team project, which will be discussed in detail in class, counting 20% of the course grade. The written project paper should be scanned in *TurnItIn* prior to submitting it for grading. And finally there will be a contemporary issue brief each week. Each Team will make two of these presentations. These along with general participation will count a total of 13.3% of the course grade.

In-class presentations and the project presentation will be graded by me (66.6%) and non-team members of the class (33.3%). A grading rubric will be distributed. In addition there will be a team “self-evaluation” in which each

team member will receive an evaluation of their participation by the other members of the team. General participation includes both in-class discussion and presentations as well as electronic communications.

(**Note:** All electronic communications for this class with me and among yourselves are considered confidential and may not be re-transmitted. Any un-professional behavior in this regard should be brought to my attention immediately.)

Letter grades will be assigned on a straight scale with 90% and above being an A, 80-89% B, 70-79% C and so forth. The plus and minus grading system will also be employed.

There are no make-ups for presentations or exams except for medically excused illness.

General Policies

Academic Misconduct: Academic dishonesty of any sort will not be tolerated. Use *TurnItIn* for all submitted papers. The minimum punishment for academic dishonesty will be an F in the course. Further action may be taken. Refer to the University of Memphis Code of Student Conduct at <http://www.memphis.edu/studentconduct/code.php><http://www.memphis.edu/fcbe/integrity/> .

General student services information may be found here:

<http://www.memphis.edu/fcbe/students/services.php>

Additional specific information:

Students with Disabilities: Any student who anticipates physical or academic barriers based on the impact of a disability is encouraged to speak with me privately. Students with disabilities should also contact Disability Resources for Students (DRS) at 110 Wilder Tower, 901-678-2880. DRS coordinates access and accommodations for students with disabilities.

Center for Writing and Communication (CWC): The CWC is a combined writing and speaking center that provides free, one-on-one and group tutorials to students working on writing and presentation assignments. CWC staff can assist you at any stage of the writing/presentation process including brainstorming ideas, revising initial drafts, and developing editing strategies. It is located on the first floor of McWherter Library and is open Monday-Thursday, 9:00-5:00, and Friday, 9:00-noon. Walk-in or visit www.memphis.edu/cwc for more information and to schedule an appointment.

Course Outline:

While the outline below follows MMH fairly closely and you should read all of the chapters mentioned, not all of the text will be covered. In most chapters there is an explicit international topic, problem or case. In addition this outline may change as the semester progresses to take advantage of internship challenges and current issues. Specific problems will also be assigned from each chapter as we go.

Part I: Introduction to Managerial Economics

- A. Goals of the Firm
MMH: Chapter 1
- B. Fundamental Concepts
MMH: Chapter 2

Part II: Demand and Elementary Forecasting

- A. Demand Analysis
MMH: Chapter 3
- B. Estimating Demand
MMH: Chapter 4
- C. Elementary Forecasting Techniques
MMH: Chapter 5

Part III: Production and Cost

- A. Production Economics
MMH: Chapter 7
- B. Cost Analysis
MMH: Chapter 8
- C. Applications of Cost Theory
MMH: Chapter 9

*** Midterm Exam: March 3, **tentative*****

Spring Break March 8-10

Part IV: Pricing and Output Decisions: Market Structure, Strategy and Tactics

- A. Price, Output and Strategy under pure and monopolistic competition
MMH: Chapter 10
- B. Price and Output under Monopoly and Dominant Firms
MMH: Chapter 11
- C. Price and Output under Oligopoly
MMH: Chapter 12
- D. Game Theoretic Strategies
MMH: Chapter 13

*** Project presentations will be April 24. Project reports are due the last day of classes, April 26 (submitted electronically). The last day of classes will be review for final exam.

*** Final Exam: 10:30 AM May 3 ***

According to University policy final exams are to be held only during the officially scheduled exam period and will not be given earlier. The exam may be given later to a student with a documented medical excuse. If traveling after the semester arrange your holiday travel to begin *after* this date.

Course Overview and Assessment. • A clear breakdown of the course requirements or expectations including the weight given to each and due date (if possible). • How work is to be submitted • Policy on missed work, extensions, and late. penalties.