

BECO 4310-002: Applied Business Economics

M/W/F 10am-10:50am, Rawls Room 029

Audrey Redford

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Office Hours: Rawls 139L – Mon: 11am-12:30pm Wed: 9:30am-10am & 11am-12:30pm
Texas Tech Plaza 308F: by appointment (M/W/F)
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Course Materials: Richard B. McKenzie & Dwight R. Lee, *Microeconomics for MBAs*, 2010,
2nd Edition, Cambridge University Press. ISBN: 978-0-521-19147-0

Harvard Business School Case Studies
<https://cb.hbsp.harvard.edu/cbmp/access/32865663>

All other materials will be posted to Blackboard.

Course Description: The purpose of this course is to provide students with a better understanding of how economic analysis can be productively applied to business decisions and strategy.

Expected Learning Outcomes

After completing this course, students will be able to:

- Explain the relationship including differences between opportunity costs and accounting costs and the connections between economic profit and accounting profit;
- Explain how managers estimate demand and supply relationships and apply those estimates in common business contexts;
- Apply economic analysis to pricing strategy issues and understand the broader socioeconomic context of pricing decisions;
- Explain the reasons for the emergence of the firm, the factors that limit the size of the firm, and how the principal-agent problem affects firm performance; and
- Understand and explain the different rationales for, and contexts in which political authorities may intervene in markets and their intended and unintended impacts on business decisions.

Grading

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.)

Overall Grade Breakdown

Participation:	15%
Random Quizzes:	15%
Memos:	15%
Exams:	30% (2 exams, each 15%)
Department Final:	5%
Final Exam:	20%

- Participation:** Since this is a 4000 level course, your ability to articulate and apply the concepts learned in class is crucial. Questions, comments, and answers during class lectures and discussions are encouraged and will contribute to this portion of the final grade. More specifically, I will implement a policy of “cold-calling” on students. If you are called on, it is expected that you are prepared to answer, so be sure to do the readings prior to class. **While class attendance is not mandatory, you cannot participate if you are absent.**
- Random Quizzes:** The instructor will administer unannounced quizzes periodically during the semester. Each quiz will begin promptly at 10:00 AM and end promptly at 10:05 AM. Quizzes are designed to assess student comprehension of required course materials. The best ten (10) quizzes will count towards your final grade. **Please note that makeup quizzes will be administered only when acceptable (as deemed by the instructor) medical documentation has been provided.**
- Memos:** During the semester, students will be assigned cases to read and discuss in class. For each class meeting in which a case will be covered and discussed, the student must turn in a case memo at the start of class. Guidelines for the format of the memo will be listed on Blackboard. Please see the course schedule for the memo due dates.
- Exams:** There will be two (2) “midterm” exams administered during the course of the semester. Exams will consist of multiple choice, true/false, short answer, and/or essay questions (as the instructor sees fit). Each exam will count for 15% of your overall grade in the course.
Tentative dates for the exams are:
- Friday, February 20, 2015
 - Monday, April 13, 2015
- (These dates are subject to change. The instructor will give advanced notice if any changes are made.)
- Departmental Final:** In order to assess the quality of instruction and retention of the topics discussed in BECO 4310, all students enrolled in BECO 4310 will take a short departmental final during the final exam. More information will be provided regarding this assessment later in the semester.
- Final Exam:** The final exam will be a cumulative examination and is scheduled for **Saturday, May 9, 2015 (10:30am - 1pm) in Rawls Room 029.**

Policy on Make-Up Exams

Make-up examinations will be administered only when acceptable (as deemed by the instructor) medical documentation has been provided. In the event that you have to miss an exam due to a university-sponsored event or a religious holy day observance, you must contact the instructor a week prior to the exam and provide them with any necessary documentation.

Policy on Late Assignments

I will not accept late assignments except when acceptable (as deemed by the instructor) medical documentation has been provided. If you will be absent due to a university-sanctioned event, or for any other reason, it is expected that you turn your assignments *prior* to class and *in-person* (whether to me personally or in my mailbox in the Energy, Economics, and Law Suite, Room 139 in Rawls). I will not accept electronic copies of any assignments.

Policy on Cell phones, Laptops and Other Electronic Devices

Laptops & tablets will be permitted in class to take notes. Cell phones should not be used by students during class, except in the case of emergencies. In the event of an emergency, please step out of the classroom to address the issue at hand. In the event that students' use of technology becomes detrimental to the classroom environment (as deemed by the instructor), the instructor will state a warning aloud to the entire class. If this disruptive behavior continues, the instructor will leave class and the students will be responsible for the material that was supposed to be covered in the remainder of the class period and will be quizzed on the material at the next class meeting. Therefore it is strongly advised that the students in the class find ways to ensure that they are holding their fellow classmates accountable.

Course Communication

Course announcements will be made in class and posted to Blackboard. The course syllabus, handouts, and selected required readings will also be posted to Blackboard.

Academic Integrity

It is the aim of Texas Tech University to foster a spirit of complete honesty and a high standard of integrity. Academic dishonesty will not be tolerated and will be treated according to the rules outlined in the Student Handbook. Please refer to Texas Tech University Operating Procedure 34.12 for more information. Thank you for upholding the integrity of the academic degree at Texas Tech University.

Disability Accommodation

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 335 West Hall or by phone 806-742-2405 or by email sds@ttu.edu. Please refer to Texas Tech University Operating Procedure 34.22 for more information.

Religious Holy Day Observance

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 class for the observance of a religious holy day shall be allowed to take an examination or complete an assignment schedules for that day within a reasonable time after the absence. Please refer to Texas Tech University Operating Procedure 34.19 for more information.

**** This syllabus is subject to change as the instructor sees fit. ****

Readings and case memos are to be completed *prior* to class on each date. Any updates to the schedule will be posted on Blackboard and announced.

<u>Course Schedule</u>	
(this schedule is subject to change)	
Date	Assigned Cases and Readings
JAN 14	class introduction, syllabus review, assessment
JAN 16	Chapter 1
JAN 19	NO CLASS (MLK Day)
JAN 21	Chapter 1
JAN 23	Chapter 2
JAN 26	Chapter 2
JAN 28	Public Goods discussion
JAN 30	Chapter 3
FEB 2	Chapter 3
FEB 4	Chapter 3
FEB 6	<i>case: Springfield Nor'easters</i>
FEB 9	Chapter 6
FEB 11	Chapter 6
FEB 13	Chapter 6
FEB 16	<i>case: Enterprise Rent-A-Car</i>
FEB 18	Chapter 7
FEB 20	EXAM 1 (Chapters 1, 2, 3, 6)
FEB 23	Chapter 7
FEB 25	Chapter 7
FEB 27	<i>case: Old Mule Farms</i>
MAR 2	Chapter 8
MAR 4	Chapter 8
MAR 6	Chapter 8
MAR 9	<i>case: Coca-Cola in 2011</i>
MAR 11	Chapter 9
MAR 13	Chapter 9
SPRING BREAK	
MAR 23	Chapter 9
MAR 25	<i>case: Salem Telephone Co.</i>
MAR 27	chapter 10
MAR 30	chapter 10
APR 1	<i>case: Kimpton Hotels</i>
APR 3	chapter 11
APR 6	NO CLASS
APR 8	chapter 11
APR 10	<i>case: Netflix</i>
APR 13	EXAM 2 (Chapters 7, 8, 9, 10, 11)
APR 15	NO CLASS
APR 17	Chapter 12
APR 20	Chapter 12
APR 22	Chapter 12
APR 24	Chapter 12/Chapter 4
APR 27	Chapter 4
APR 29	Chapter 4
MAY 1	<i>case: Uber</i>
MAY 4	Chapter 5