

Course Information

Date Submitted: 3/26/2016

Current Prefix and Number: ECO - Economics , ECO 411 BUSINESS ECONOMICS

Other Course:

Proposed Prefix and Number: ECO 311

What type of change is being proposed?

Major Change

Should this course be a UK Core Course? No

1. General Information

a. Submitted by the College of: BUSINESS AND ECONOMICS

b. Department/Division: B&E Economics

c. Is there a change in 'ownership' of the course? No

If YES, what college/department will offer the course instead: Select...

e. Contact Person

Name: Gail Hoyt

Email: ghoyt@uky.edu

Phone: 859-257-2517

Responsible Faculty ID (if different from Contact)

Name:

Email:

Phone:

f. Requested Effective Date

Semester Following Approval: Yes OR Effective Semester:

2. Designation and Description of Proposed Course

a. Current Distance Learning (DL) Status: N/A

b. Full Title: BUSINESS ECONOMICS

Proposed Title: Business Economics

c. Current Transcript Title: BUSINESS ECONOMICS

Proposed Transcript Title: BUSINESS ECONOMICS

d. Current Cross-listing: none

Proposed – ADD Cross-listing :

Proposed – REMOVE Cross-listing:

e. Current Meeting Patterns

LECTURE: 3 HOURS PER WEEK

Proposed Meeting Patterns

LECTURE: 3 HOURS PER WEEK

f. Current Grading System: ABC Letter Grade Scale

Proposed Grading System: *Letter (A, B, C, etc.)*

g. Current number of credit hours: 3

Proposed number of credit hours: 3

h. Currently, is this course repeatable for additional credit? No

Proposed to be repeatable for additional credit? No

If Yes: Maximum number of credit hours:

If Yes: Will this course allow multiple registrations during the same semester? No

2i. Current Course Description for Bulletin: Applies basic economic principles to the types of problems faced by business decision makers. Particular attention is paid to the economics of organizations and to the economics of firm strategy. Topics covered will include the nature of the firm, the make or buy decision, corporate governance, distribution channels, external market structure, selling decisions, and rivalry and strategy.

Proposed Course Description for Bulletin: This course applies basic economic principles to the types of problems faced by business decision makers. Particular attention is paid to the economics of organizations and to the economics of firm strategy. Topics covered will include the nature of the firm, the make or buy decision, corporate governance, distribution channels, external market structure, selling decisions, and rivalry and strategy.

2j. Current Prerequisites, if any: Prereq: ECO 202 or equivalent.

Proposed Prerequisites, if any: Prereq: ECO201 and ECO202 or equivalent.

2k. Current Supplementary Teaching Component:

Proposed Supplementary Teaching Component:

3. Currently, is this course taught off campus? No

Proposed to be taught off campus? No

If YES, enter the off campus address:

4. Are significant changes in content/student learning outcomes of the course being proposed? No

If YES, explain and offer brief rationale:

5a. Are there other depts. and/or pgms that could be affected by the proposed change? **No**

If YES, identify the depts. and/or pgms:

5b. Will modifying this course result in a new requirement of ANY program? **No**

If YES, list the program(s) here:

6. Check box if changed to 400G or 500: **No**

Distance Learning Form

Instructor Name:

Instructor Email:

Internet/Web-based: **No**

Interactive Video: **No**

Hybrid: **No**

1. How does this course provide for timely and appropriate interaction between students and faculty and among students? Does the course syllabus conform to University Senate Syllabus Guidelines, specifically the Distance Learning Considerations?

2. How do you ensure that the experience for a DL student is comparable to that of a classroom-based student's experience? Aspects to explore: textbooks, course goals, assessment of student learning outcomes, etc.

3. How is the integrity of student work ensured? Please speak to aspects such as password-protected course portals, proctors for exams at interactive video sites; academic offense policy; etc.

4. Will offering this course via DL result in at least 25% or at least 50% (based on total credit hours required for completion) of a degree program being offered via any form of DL, as defined above?

If yes, which percentage, and which program(s)?

5. How are students taking the course via DL assured of equivalent access to student services, similar to that of a student taking the class in a traditional classroom setting?

6. How do course requirements ensure that students make appropriate use of learning resources?

7. Please explain specifically how access is provided to laboratories, facilities, and equipment appropriate to the course or program.

8. How are students informed of procedures for resolving technical complaints? Does the syllabus list the entities available to offer technical help with the delivery and/or receipt of the course, such as the Information Technology Customer Service Center (<http://www.uky.edu/UKIT/>)?

9. Will the course be delivered via services available through the Distance Learning Program (DLP) and the Academic Technology Group (ATL)? **NO**

If no, explain how student enrolled in DL courses are able to use the technology employed, as well as how students will be provided with assistance in using said technology.

10. Does the syllabus contain all the required components? **NO**

11.I, the instructor of record, have read and understood all of the university-level statements regarding DL.

Instructor Name:

Department of Economics 2016 Overview of Proposed Curriculum Changes

1. We propose that the department renumber 400 level courses to the 300 level as they do not have ECO401 or ECO402 as a prerequisite.

- ECO 311 Business Economics (formerly ECO 411)
- ECO 312 Monetary Economics (formerly ECO 412) Finance majors no longer required to take.
- ECO 365 Social Economic Organization (formerly ECO 465G Comparative Economic Systems)
- ECO 367 American Economic History (formerly ECO 467)

2. We propose to modify the description of ECO370 so that majors in A&S Economics, Business Economics, and Mathematical Economics are allowed to take the course, but FLIE majors may not.

3. We propose that the prerequisites for ECO391 be modified to include STA296 OR STA381 or the equivalent.

4. We propose that the department create new 300 level courses to service non-majors, minors, and majors.

- ECO 301 Economic Price Theory: (non-majors only)
- ECO 381 Environmental Economics
- ECO 385 Health Economics
- ECO 387 Law and Economics
- ECO 393 Sports Economics

NEW FULL SELECTION OF COURSES BY LEVEL

NEW COURSES:

ECO 301 ECONOMIC PRICE THEORY
ECO 381 ENVIRONMENTAL ECONOMICS
ECO 385 HEALTH ECONOMICS
ECO 387 LAW AND ECONOMICS
ECO 393 THE ECONOMICS OF SPORTS

RENUMBERED COURSES (400 TO 300 LEVEL)

ECO 311 BUSINESS ECONOMICS
ECO 312 MONETARY ECONOMICS
ECO 365 SOCIAL ECONOMIC ORGANIZATION
ECO 367 AMERICAN ECONOMIC HISTORY

OTHER MINOR REVISIONS

ECO 370 THE GLOBAL ECONOMY
ECO 391 ECONOMIC AND BUSINESS STATISTICS

OTHER EXISTING COURSES IN ECONOMICS – WITH NO MODIFICATIONS

ECO 327 STRATEGIC DECISION MAKING: AN INTRODUCTION TO GAME THEORY
ECO 379 THE ECONOMICS OF PUBLIC POLICY, LAW, AND GOVERNMENT
ECO 395 INDIVIDUAL WORK IN ECONOMICS
ECO 401 INTERMEDIATE MICROECONOMIC THEORY
ECO 402 INTERMEDIATE MACROECONOMIC THEORY
ECO 410 CURRENT ISSUES IN ECONOMICS (Subtitle required)
ECO 450G THE ECONOMICS OF POVERTY AND WELFARE PROGRAMS
ECO 461 MARKET STRUCTURE AND ANTI-TRUST POLICY
ECO 471 INTERNATIONAL TRADE
ECO 472 INTERNATIONAL MONETARY ECONOMICS
ECO 473G ECONOMIC DEVELOPMENT
ECO 477 LABOR ECONOMICS
ECO 479 PUBLIC ECONOMICS

**ECO 491G APPLIED ECONOMETRICS
ECO 499 SEMINAR IN ECONOMICS**

5. We propose the following changes to the upper level economics course requirement for each type of major:

Minor Requirements (This would remain unchanged.)

- ECO201
- ECO202
- ECO401 OR ECO402
- 9 hours ECO 300 level or higher

All types of ECO Majors Require: (This would remain unchanged.)

- ECO201
- ECO202
- ECO391
- ECO401
- ECO402

Type of Major	Current	Proposed
Mathematical Economics	300+ level ECO courses 9 hours	ECO491 6 hours of ECO elective courses at the 300 level or higher with at least 3 hours at the 400 level
Foreign Language and International Economics NO CHANGE	ECO300+ Any 300+ level ECO course 3 hours Two of the following ECO471 ECO472 ECO473G	ECO300+ Any 300+ level ECO course 3 hours Two of the following ECO471 ECO472 ECO473G
B&E Economics	ECO499 12 hours ECO Electives (we don't specify level in bulletin) One upper level B&E elective (24 hours in the major)	ECO499 ECO Electives 12 hours – at least 6 hours must be at the 400 level DROP the One upper level B&E elective (21 hours in the major)
A&S Economics	ECO499 9-15 hours "300 level or higher" ECO	ECO499 9-15 hours of ECO electives at the 300 level or higher with at least 6 hours at the 400 level

ECO 311
Business Economics Syllabus
Semester Year
Date and Time
Building and Room Number

Instructor: John Garen
Office: 245 Gatton College of Business and Economics
Hours: Monday and Wednesday 2:00-3:00 and Tuesday 9:00-11:00 am.
Phone: 257- 3581
E-mail: jgaren@uky.edu

Preferred way to reach instructor: Stopping in during office hours is preferable if you have specific questions and content and homework sets. Contacting me by email is fine if you need to let me know you will be absent or have general logistical questions.

Course Description

This course applies basic economic principles to the types of problems faced by business decision makers. Particular attention is paid to the economics of organizations and to the economics of firm strategy. Topics covered will include the nature of the firm, the make or buy decision, corporate governance, distribution channels, external market structure, selling decisions, and rivalry and strategy.

Prerequisites

ECO201 and ECO202 or the equivalent.

Course Objective

The goal of the course is for students to learn how to apply economics principles to understand and devise business operations.

Student Learnings Outcomes

After completing this course, students will be able to:

1. Describe and apply fundamentals of micro and macroeconomic theory to business in a managerial context.
2. Analyze business strategy problems and develop operational solutions.
3. Describe and analyze different market structures and make optimal decisions based on the economic environment in which your firm operates.
4. Formulate and describe alternative pricing strategies that will allow a firm with market power to increase its profits.

Course Materials

Text: Besanko, David; Dranove, David; and Shanley, Mark, Economics of Strategy, John Wiley & Sons, 2000, 2nd edition.

Other assorted reading will be assigned based on current events at the time the course is taught.

Exams and Grades

Two midterms and one final exam will be given. Each exam covers approximately one-third of the course and covers material from the lecture, the text, and other assigned readings. Exams consist of essay and problem solving questions. Each exam counts for 25% of your grade.

Also, 10 quizzes and 10 homework assignments will be given throughout the term. Collectively, these count for 25% of your grade. Homework assignments are to be submitted in class on the day they are due.

Grading Scale

Grades will be calculated on a standard 100-point scale.

90 – 100	A
80 – 89	B
70 – 79	C
60 – 69	D
59 – below	E

Mid-term Grades

Mid-term grades will be posted in myUK by the deadline established in the Academic Calendar (<http://www.uky.edu/Registrar/AcademicCalendar.htm>)

Behavior

Each student is expected to refrain from disruptive behavior. Specifically, (i) turn off cell phones prior to the start of class; (ii) do not talk with other students during class (asking a neighbor for a brief clarification is acceptable, but avoid carrying on private conversations.) (iii) noisy late arrivals are not acceptable (if you must be late, be discrete and take a seat near the door); (iv) reading the newspaper or browsing on websites unrelated to this class is not acceptable. NOTE: Cell phones, computers, tablets, and other electronic devices may not be visible during quiz or exam periods.

Attendance Policy

While attendance is not mandatory and I will not take roll every day, regular attendance is essential for understanding content and is therefore highly encouraged. You are still responsible for material covered and assignments made on days that you miss.

Excused Absences

Students need to notify the professor of absences prior to class when possible. *Senate Rules 5.2.4.2* defines the following as acceptable reasons for excused absences: (a) serious illness, (b) illness or death of family member, (c) University-related trips, (d) major religious holidays, and (e) other circumstances found to fit “reasonable cause for nonattendance” by the professor.

Students anticipating an absence for a major religious holiday are responsible for notifying the instructor in writing of anticipated absences due to their observance of such holidays no later than the last day in the semester to add a class. Two weeks prior to the absence is reasonable, but should not be given any later. Information regarding major religious holidays may be obtained

through the Ombud (859-257-3737,
http://www.uky.edu/Ombud/ForStudents_ExcusedAbsences.php.

Students are expected to withdraw from the class if more than 20% of the classes scheduled for the semester are missed (excused) per University policy.

Make up Work

Make-up opportunities will only be given for excused absences or if the student has obtained the instructor's prior approval. If you miss an exam or assignment deadline with an unexcused absence you will receive a zero for that grade. In each foreseen case, written verification will be required at least one week before the scheduled assignment date and permission to miss an assignment must be secured before the scheduled time unless the cause of the absence is unforeseen. Arrangements for a make-up must be made with the instructor as soon as possible. Make-ups will be scheduled at a time mutually convenient for the student and the instructor. Per *Senate Rule 5.2.4.2*, students missing any graded work due to an excused absence are responsible: for informing the Instructor of Record about their excused absence within one week following the period of the excused absence (except where prior notification is required); and for making up the missed work. The professor must give the student an opportunity to make up the work and/or the exams missed due to an excused absence, and shall do so, if feasible, during the semester in which the absence occurred.

Verification of Absences

Students may be asked to verify their absences in order for them to be considered excused. Senate Rule 5.2.4.2 states that faculty have the right to request “appropriate verification” when students claim an excused absence because of illness or death in the family. Appropriate notification of absences due to university-related trips is required prior to the absence.

Academic Integrity

Per University policy, students shall not plagiarize, cheat, or falsify or misuse academic records. Students are expected to adhere to University policy on cheating and plagiarism in all courses. The minimum penalty for a first offense is a zero on the assignment on which the offense occurred. If the offense is considered severe or the student has other academic offenses on their record, more serious penalties, up to suspension from the University may be imposed.

Plagiarism and cheating are serious breaches of academic conduct. Each student is advised to become familiar with the various forms of academic dishonesty as explained in the Code of Student Rights and Responsibilities. Complete information can be found at the following website: <http://www.uky.edu/Ombud>. A plea of ignorance is not acceptable as a defense against the charge of academic dishonesty. It is important that you review this information as all ideas borrowed from others need to be properly credited.

Senate Rules 6.3.1 (see <http://www.uky.edu/Faculty/Senate/> for the current set of *Senate Rules*) states that all academic work, written or otherwise, submitted by students to their instructors or other academic supervisors, is expected to be the result of their own thought, research, or self-expression. In cases where students feel unsure about a question of plagiarism involving their work, they are obliged to consult their instructors on the matter before submission.

When students submit work purporting to be their own, but which in any way borrows ideas, organization, wording, or content from another source without appropriate acknowledgment of the fact, the students are guilty of plagiarism.

Plagiarism includes reproducing someone else's work (including, but not limited to a published article, a book, a website, computer code, or a paper from a friend) without clear attribution. Plagiarism also includes the practice of employing or allowing another person to alter or revise the work, which a student submits as his/her own, whoever that other person may be. Students may discuss assignments among themselves or with an instructor or tutor, but when the actual work is done, it must be done by the student, and the student alone.

When a student's assignment involves research in outside sources or information, the student must carefully acknowledge exactly what, where and how he/she has employed them. If the words of someone else are used, the student must put quotation marks around the passage in question and add an appropriate indication of its origin. Making simple changes while leaving the organization, content, and phraseology intact is plagiaristic. However, nothing in these Rules shall apply to those ideas, which are so generally and freely circulated as to be a part of the public domain.

Please note: Any assignment you turn in may be submitted to an electronic database to check for plagiarism.

Accommodations due to disability

If you have a documented disability that requires academic accommodations, please see me as soon as possible during scheduled office hours. In order to receive accommodations in this course, you must provide me with a Letter of Accommodation from the Disability Resource Center (DRC). The DRC coordinates campus disability services available to students with disabilities. It is located on the corner of Rose Street and Huguelet Drive in the Multidisciplinary Science Building, Suite 407. You can reach them via phone at (859) 257-2754 and via email at drc@uky.edu. Their web address is <http://www.uky.edu/StudentAffairs/DisabilityResourceCenter/>.

General Course Outline and Readings

<u>Week</u>	<u>Topics</u>	<u>Readings</u>
1/15 - 1/18	Introduction	Introduction, pgs. 1-6; supplemental reading #1
1/19 - 1/25	Review of some basics	Primer, pgs. 9-22, 30-36.
1/26 - 2/1	Economies of Scale and Scope; Vertical Boundaries of the Firm	Ch. 2, Ch. 3
2/2 - 2/8	Vertical Boundaries (cont'd); Transactions Costs of the Market	Ch. 3 (cont'd.); Ch. 4

2/9 - 2/15	Transactions Costs (cont'd.); Alternatives to Vertical Integration	Ch. 4 (cont'd.); Ch. 5
2/16 - 2/18	Alternatives to Vert. Inte. (cont'd.)	Supp. reading #2
2/20, Thurs.	FIRST MIDTERM	
2/23 - 3/1	Incentives and Agency	Ch. 15, pgs. 509-530
3/2 - 3/8	Applications: Paying the Sales- force, Bargaining Over Budgets	Supplemental readings #3, #4, and #5
3/9 - 3/15	Another Application: Franchises; Strategy and Structure	Supp. reading #6; Ch. 16 , pgs. 545-560
3/16 - 3/22	Spring break	
3/23 - 3/29	Strategy and Structure (cont'd.); Decision Authority	Ch. 16 (cont'd., same pgs.); Supp. reading #7
4/1, Tues.	SECOND MIDTERM	
4/3 - 4/5	Pricing – some basics	Ch. 7, pgs. 227-242
4/6 - 4/12	Price Discrimination	Supp. readings #8, #9
4/13 - 4/19	Oligopoly and Strategic Commitment	Ch. 7, pgs. 249-258; Ch. 8, pgs. 263-276
4/20 - 4/26	Collusion and Rivalry	Ch. 9, pgs. 289-316
4/27 - 5/3	Network Competition	Supp. reading # 10

5/9, Fri FINAL EXAM, 10:30 am
Supplemental Readings

1. Jensen, Michael and Meckling, William, “The Nature of Man,” *Journal of Applied Corporate Finance*, Summer 1994. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=5471

2. Dyer, “Dedicated Assets: Japan’s Manufacturing Edge,” *Harvard Business Review*, Nov. – Dec. 1994.

http://weblinks2.epnet.com/externalframe.asp?tb=1&_ug=db+2+ln+en%2Dus+sid+AE792B40%2DF688%2D442D%2D8926%2DCBDB0484DC23%40Sessionmgr2+D3DA&_uh=btn+N+idb+buhish+jdb+buhjnh+op+phrase+ss+ID++%22HBR%22+545E&_us=bs+JN++%22Harvard++Business++Review%22++and++DT++19941101+db+2+d+s+JN++%22Harvard++Business++Review%22++and++DT++19941101+dstb+KS+fcl+Aut+ri+KAAACB1D00172806+sm+KS+FBC3&fi=buh_9411155382_&tp=CAP&bk=R&tn=21&lpdf=true&pdfs=2.3MB&es=cs%5Fclient%2

[Easp%3FT%3DP%26P%3DAN%26K%3D9411155382%26rn%3D21%26db%3Dbuh%26is%3D00178012%26sc%3DR%26S%3DR%26D%3Dbuh&fn=1&rn=21](http://www.inforules.com/teaching/3FT%3DP%26P%3DAN%26K%3D9411155382%26rn%3D21%26db%3Dbuh%26is%3D00178012%26sc%3DR%26S%3DR%26D%3Dbuh&fn=1&rn=21)

3. Steinbrink, John, “How to Pay Your Salesforce,” *Harvard Business Review*, July – Aug. 1978.
http://weblinks2.epnet.com/externalframe.asp?tb=1&_ug=db+2+ln+en%2Dus+sid+78C365F3%2DE98B%2D483D%2DA035%2D65D2B48617FF%40Sessionmgr2+22D4&_uh=btn+N+idb+buhish+jdb+buhjnh+op+phrase+ss+ID++%22HBR%22+545E&_us=bs+JN++%22Harvard++Business++Review%22++and++DT++19780701+db+2+ds+JN++%22Harvard++Business++Review%22++and++DT++19780701+dstb+KS+fcl+Aut+ri+KAAACB1D00172869+sm+KS+CABA&fi=buh_3867597_&tp=CP&bk=R&tn=18&lpdf=true&pdfs=2.3MB&es=cs%5Fclient%2Easp%3FT%3DP%26P%3DAN%26K%3D3867597%26rn%3D11%26db%3Dbuh%26is%3D00178012%26sc%3DR%26S%3DR%26D%3Dbuh&fn=1&rn=11

4. Kohn, Alfie, “Why Incentive Plans Cannot Work,” *Harvard Business Review*, Sept. – Oct. 1993.

http://weblinks2.epnet.com/externalframe.asp?tb=1&_ug=db+2+ln+en%2Dus+sid+78C365F3%2DE98B%2D483D%2DA035%2D65D2B48617FF%40Sessionmgr2+22D4&_uh=btn+N+idb+buhish+jdb+buhjnh+op+phrase+ss+ID++%22HBR%22+545E&_us=bs+JN++%22Harvard++Business++Review%22++and++DT++19930901+db+2+ds+JN++%22Harvard++Business++Review%22++and++DT++19930901+dstb+KS+fcl+Aut+ri+KAAACB1D00172910+sm+KS+ED3E&fi=buh_9312031646_&tp=CAP&bk=R&tn=18&lpdf=true&pdfs=2.2MB&es=cs%5Fclient%2Easp%3FT%3DP%26P%3DAN%26K%3D9312031646%26rn%3D4%26db%3Dbuh%26is%3D00178012%26sc%3DR%26S%3DR%26D%3Dbuh&fn=1&rn=4

5. Jensen, Michael, “Corporate Budgeting Is Broken – Let’s Fix It,” *Harvard Business Review*, Nov. 2001.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=321520

6. Section on franchising, in *Coordination, Control, and the Management of Organizations: Course Notes*, pp. 78 – 81.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=78008

7. Jensen, Michael and Meckling, William, “Specific and General Knowledge and Organizational Structure,” *Journal of Applied Corporate Finance*, Fall 1995.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=6658

8. Outline of Versioning Information, in Shapiro, Carl and Varian, Hal, *Information Rules*, Boston: Harvard Business School Press, 1999.

<http://www.inforules.com/>

(Select teaching link, then the above chapter outline.)

9. Outline of Recognizing Lock-In, in Shapiro, Carl and Varian, Hal, *Information Rules*, Boston: Harvard Business School Press, 1999.

<http://www.inforules.com/>

(Select teaching link, then the above chapter outline.)

10. Outline of Networks and Positive Feedback, in Shapiro, Carl and Varian, Hal, *Information Rules*, Boston: Harvard Business School Press, 1999.

<http://www.inforules.com/>

(Select teaching link, then the above chapter outline.)