

Economics and Business

Professors: Apps, Geremew, Gonzalez (President), Hultberg (Chair), MacMillan (Chair), Moffit, Stull, Udayanganie

Mission Statement

Integrating Economics and Business, theory and practice, we develop creative, broad-minded problem-solvers and leaders.

The department's primary objective is to ensure that our students can apply economic and business principles to the world around them. To achieve this objective, the department introduces the students to economic and business problems, theories, and policies within the context of a liberal arts education. The department's courses fall into four broad categories: (1) economic theory at the introductory and intermediate levels, (2) quantitative tools and methods, (3) fundamental business principles, and (4) economic and business field courses.

In addition to the department's course work, students also benefit from practical experience through internships, a senior individualized project, and a senior seminar. The math cognate courses are required to provide students with a strong foundation in contemporary business and economic decision-making processes that are increasingly based on marginal analysis, optimization, and descriptive and inferential statistical analysis. The department encourages additional mathematics and statistics courses for all our majors, especially for majors who wish to pursue graduate degrees.

The department offers two distinct majors: a major in economics and a major in business, both of which require a total of ten units for completion. A student cannot major in both economics and business.

Advanced Placement

Students with AP scores of 4 or 5 in Economics may, in consultation with the Department Chair, replace the ECON-101 Principles of Economics requirement with an elective course from within the major.

Course Classification

Courses cross-listed as between Business (BUSN) and Economics (ECON) can apply to elective requirements in either major.

Requirements for the Major in Economics

Number of Units

Eight units plus two math cognate courses are required, exclusive of the SIP.

Required Courses

ECON 101 Principles of Economics

ECON 305 Intermediate Microeconomics

ECON 306 Intermediate Macroeconomics

Economics Elective Courses

Take five out of the following set of courses: ECON 225, 235, 245, 262, 265, 270, 275, 280, 290, 360, 405, 410, 415, 490 or 491

Two of these courses must be taken from 300-level courses or above, at least one of them must be a 400-level course.

Required MATH Cognate Courses

Take two courses; one from each of the following two categories of courses:

1. Differential Calculus: MATH 112 Calculus I or MATH 110 & 111 Calculus I with Review or AP Credit.
2. Statistical Analysis: BUSN/ECON 160 Statistics for Business and Economics, MATH 260 Applied Statistics I, MATH 360 Applied Statistics II, or AP credit.

Requirements for the Major in Business

Number of Units

Nine units plus two math cognate courses are required, exclusive of the SIP.

Required Courses

ECON 101 Principles of Economics
BUSN 100 Accounting Basics*
BUSN 150 Principles of Accounting
ECON 305 Intermediate Microeconomics
ECON 306 Intermediate Macroeconomics

*Students who place out of BUSN 100 will take five electives

Electives

Take four out of the following: BUSN 205, 215, 220, 245, 275, 285, 290, 325, 340, 350, 355, 370, 375, 380, 405, 490, 491, 492 or 493; ECON 245 OR 405

Two of these courses must be taken from 300-level courses or above, at least one of them must be a 400-level course

Required MATH Cognate Courses

Take two courses, one from each of the following two categories:

1. Differential Calculus: MATH 112 Calculus I or MATH 110 & 111 Calculus I with Review or AP credit.
2. Statistical Analysis: BUSN/ECON 160 Statistics for Business and Economics, MATH 260 Applied Statistics, or AP credit.

Economics and Business courses

ECON 101 Principles of Economics

An introduction to the concerns and methods of economics, covering both microeconomic and macroeconomic principles. This course analyses how markets work and how economic decisions are made. It considers the interactions of firms and households in individual markets as well as the workings of national and international economies. The class will examine current economic issues and study how policy can be used to address economic problems.

ECON/BUSN 160 Statistics for Business and Economics

Designed to give economics and business students the quantitative skills necessary to understand as well as undertake a serious research project. The emphasis in this course is on statistical inference and basic econometrics. The main topics covered are probability and probability distributions, sampling distributions, confidence intervals, hypothesis testing, and regression analysis. Computer software will be used to apply these techniques to relevant economic problems. Students may substitute MATH 260 for ECON 160.

Prerequisite: ECON-101 with a C- or better. Cross-listed with BUSN-160. Students can only earn credit for one of the following courses: MATH-260, MATH-261, ECON-160, or BUSN-160.

ECON 225 Economic Development and Growth

The course explores the topic of economic development; what is the meaning of economic development and why some countries are "developed," while others are not. It explores what tools and policies can be used to improve the level of income and development in nations. It studies theories of economic development and models of economic growth and sheds light on topics such as population growth, human capital, income inequality, environmental impacts, and institutional frameworks.

Prerequisite: ECON-101 with a C- or better

ECON 235 Environmental and Resource Economics

Study of the economic perspective of environmental and resource problems and issues; the management and allocation of renewable and nonrenewable resources; the trade-off between economic growth and environmental amenities; and the impacts of natural resource availability on economic growth. Emphasis on the development and application of economic theory to contemporary natural resource issues.

Prerequisite: ECON-101 with a C- or better

ECON/SEMN 240 Economics for Global Travelers

This Sophomore Seminar examines how economics can contribute to a better understanding of the world and our place in it. We will look at differences, similarities, and linkages among the economics of various nations. We will study flows of money, products, people, technologies, and ideas across national borders. The approach will be non-technical with an emphasis on understanding economic ideas. We will spend more time writing and discussing than on models or equations. Does not count toward economics or business major.

Prerequisite: Sophomores only. Cross-listed with ECON-240.

ECON/BUSN 245 Money, Banking, and Financial Markets

This course is intended to give students a broad overview of the functions of the financial system and monetary policy in the U.S. and the global economy. It covers the Bond, Stock and Foreign exchange markets and how interest rates, stock prices and the value of the dollar in terms of foreign currency are determined. Bank balance sheets, Interest rate risk, liquidity, asset and capital adequacy management are also covered. The functions, history and role of the Federal Reserve (The Fed), the goal of monetary policy and monetary policy tools are discussed in detail.

Prerequisite: ECON-101 with a C- or better and MATH-112. Restricted to those who have not had ECON 306 and/or BUSN350. Open to Junior and Senior Economics and Business majors and all Sophomore and First-Year students. Cross-listed with BUSN-245.

ECON 262 Fiscal & Monetary Policy in Times of Crisis

Since the financial crisis of 2009, countries have used unusual and novel fiscal and monetary policies in their attempts to stabilize and grow their economies. New policies include austerity bail-outs, zero interest rates, and quantitative easing. We will examine the theoretical underpinnings of these policies as well as their real world impacts.

Prerequisite: ECON-101 with a C- or better

ECON 265 Issues in Urban Economics

This course is both an introduction to urban economics and an in-depth study of one current urban issue. We will examine why cities exist, where they develop, and how they grow and decline. We will also study the economic aspects of contemporary urban planning and development policy issues such as land use zoning, housing, traffic congestion, publicly vs. privately provided goods.

Prerequisite: ECON-101 with a C- or better

ECON/BUSN 275 Industrial Organization and Public Policy

This course studies the impact of market structure on strategy, conduct, and economic performance. This course will use industry studies to develop the theoretical framework of industrial organization, to examine economic problems related to different market structures, and to analyze public policy. We will spend a substantial amount of time on the history of individual industries. We will explore U.S. public policy towards industry, with an emphasis on antitrust.

Prerequisite: ECON-101 with a C- or better. Cross-listed with BUSN-275.

ECON 280 Law and Economics

This course studies the interaction between the legal system and the market system. It examines why law is necessary for markets to function and it uses economic principles to analyze laws. This course uses basic tools of economics to understand a variety of legal issues. Topics covered include property and contracts, civil vs. criminal law, antitrust, environmental regulation, and international trade policy and regulation.

Prerequisite: ECON-101 with a C- or better

ECON/BUSN 290 Selected Topics in Economics

Special Topics offerings focus upon topics not addressed in the department's regular offerings. The course can be repeated with a different topic. Check the course schedule to see when Special Topics courses are being offered.

Prerequisite: ECON-101 with a C- or better Open to Junior and Senior Business majors and all Sophomore and First-Year students.

ECON 290/CGHL 295 Health Economics

This health economics course is designed to introduce students to economic tools used in analyzing health care outcomes and challenges. Topics of this course will include basic economic concepts important for the study in health economics, aspects of the US health care market, why health is different from other goods, health externalities, health insurance, information asymmetries, healthcare reform, and disparities in access to health care. Students should be able to think critically about health-related policy issues by the end of the class. This course can count for the Economics Major. Cross-listed with CGHL-295. Prerequisite: ECON-101

Prerequisite: ECON-101 with a C- or better

ECON 305 Intermediate Microeconomics

This course deals with (1) the study of the theories of household and firm behavior, equilibrium analysis, market structure, pricing, economic efficiency, and social welfare; and (2) the applications of microeconomics theory to solve real problems faced by actual decision makers in industry and government.

Prerequisite: ECON-101 with a C- or better; ECON-155 BUSN-155 or MATH-112; 200-level Economics or Business course recommended. Open to Junior and Senior BUSN/ECON majors and all Sophomore and First-Year students.

ECON 306 Intermediate Macroeconomics

This course introduces the major schools of thought in macroeconomics theory, including the Classical, Keynesian, Monetarist, New Classical, and New Keynesian models. Topics covered include: the determinants of long-run economic growth; IS-LM framework and aggregate demand and supply framework in a closed economy; the short run fluctuation of the economy; the influence of monetary and fiscal policy; and alternative theories about aggregate supply.

Prerequisite: ECON-101 with a C- or better and MATH-112; 200-level Economics or Business course recommended. Open to Junior and Senior BUSN/ECON majors and all Sophomore and First-Year students.

ECON 315 Public Sector Economics

Examination of federal, state, and local budget priorities and programs from both theoretical and case study approaches. Implications of different taxing and spending decisions will be analyzed.

Prerequisite: ECON-305

ECON 360 Econometrics

This course focuses on econometric theory and practice. Topics covered include the classical regression model, serial correlation, and time series estimation. In this computer lab based course, students will apply econometric techniques to economic questions and issues.

Prerequisite: ECON/BUSN-160 or MATH-260 or 261 and ECON-305 or ECON-306 Open to Junior and Senior Economics and Business majors and all Sophomores and First-Year students.

ECON/BUSN 405 International Trade

This course explores the gains from specialization and trade within the context of various international trade models. The course studies different market failures impact on the gains from trade. It studies the instruments of trade policy and their welfare effects and carefully explores the political economy of trade policy. Prerequisite: ECON-305. Cross-listed with BUSN-405.

Prerequisite: ECON-305

ECON 490 Climate Change

This senior seminar encourages students to think critically about the risks posed by climate change, the innovations and policies which could mitigate these risks, and the political economy of effective risk management. The course will emphasize tradeoffs, issues of international, intranational, and intertemporal distributive justice, as well as the nature of risk, itself.

Prerequisite: Take ECON-235 and Seniors Standing

ECON 490 The Opioid Crisis

This senior seminar explores the intersection of the War on Drugs, pharmaceutical company profit seeking, international poverty and the search for marketable crops, and impacts on American communities and families. We will examine markets, market failures, business models, and government intervention along the way.

Prerequisite: ECON-305 and ECON-306 Open to Senior Economics and Business majors.

ECON/BUSN 490 Financial Frictions & Monetary Policy

This seminar provides a critical in depth understanding of the relationship between the financial sector and monetary policy in the context of the 2008/09 financial crisis. It covers the topics related to conventional and unconventional monetary policy, the Zero Lower Bound (ZLB) and forward guidance, the effect of monetary policy on asset prices, monetary transmission mechanisms, moral hazard and adverse selection in financial markets, the yield curve and term premiums and the role of monetary policy in financial stability. Most of the topics will be supported by empirical exercises on Eviews or Matlab. Prerequisite: Econ 306 Open to Senior Economics and Business majors

Prerequisite: ECON-306. Open to Senior Economics and Business majors.

ECON 490 Financial Crisis

This course examines various economic ramifications of the financial crisis of 2008-09 and of the financial crisis which has accompanied the pandemic of 2020. We look at what a financial crisis is and how it affects a national and global economic system.

Prerequisite: ECON-305 and ECON-306. Must be a senior major to register.

ECON 593 Senior Integrated Project

Each program or department sets its own requirements for Senior Integrated Projects done in that department, including the range of acceptable projects, the required background of students doing projects, the format of the SIP, and the expected scope and depth of projects. See the Kalamazoo Curriculum -& Senior Integrated Project section of the Academic Catalog for more details.

Prerequisite: ECON 380, permission of department and SIP supervisor required.

ECON/BUSN 595 SIP: Coursework

Prerequisite: Only senior business or economic majors may register.

Business courses

BUSN 100 Accounting Basics

Accounting Basics establishes a common base of financial accounting understanding for all students desiring to major in business. The course is designed to assist students with limited knowledge and experience in business in becoming comfortable with the language of business. Specific learning will include theory, concepts, terminology, and practical exercises and applications in financial accounting.

Prerequisite: Students who have received credit for BUSN-150 may not take this course.

BUSN 150 Principles of Accounting

Study of financial accounting theory as a tool for effective business management and control. Emphasis will be placed on the accounting cycle and cash-flow analysis as well as analysis and comprehension of standard financial statements.

Prerequisite: Must have taken BUSN-100 with a C- or better

BUSN/ECON 160 Statistics for Business and Economics

Designed to give economics and business students the quantitative skills necessary to understand as well as undertake a serious research project. The emphasis in this course is on statistical inference and basic econometrics. The main topics covered are probability and probability distributions, sampling distributions, confidence intervals, hypothesis testing, and regression analysis. Computer software will be used to apply these techniques to relevant economic problems. Students may substitute MATH 260 for BUSN/ECON 160. Cross-listed with ECON-160.

Prerequisite: ECON-101 with a C- or better. Cross-listed with ECON-160. Students can only earn credit for one of the following courses: MATH-260, MATH-261, ECON-160, or BUSN-160.

BUSN 205 Principles of Management

Explores fundamental management concepts, strategies, combining theory with practical application. Core course topics revolve around leadership, team motivation, goal-setting and evaluation, effective communication, and results-oriented practices. Team work and oral presentation skills are heavily emphasized. Students ultimately define their own authentic leadership styles and purposes. Speakers, texts, and articles will supplement class discussions.

Prerequisite: ECON-101 with a C- or better. Open to Junior and Senior Business majors and all Sophomore and First-Year students.

BUSN 215 Principles of Managerial Accounting

Study of managerial accounting theory including cost accounting, production variance analysis, responsibility accounting and reporting, differential accounting, and budgeting.

Prerequisite: BUSN-150. Open to Junior and Senior Business majors and all Sophomore and First-Year students.

BUSN 220 Principles of Marketing

Study of the marketing discipline as it applies to the effective management of small and large businesses. The course emphasizes marketing strategy, consumer motivation, market research, product positioning, target market segmentation, product development, pricing, promotion and distribution, and effective resource allocation. A team project, evaluated by industry experts, ties together course concepts. Students should be familiar with accounting and basic statistical concepts.

Prerequisite: ECON-101 with a C- or better Open to Junior and Senior Economics and Business majors and all Sophomore and First-Year students.

BUSN/ECON 245 Money, Banking, and Financial Markets

This course is intended to give students a broad overview of the functions of the financial system and monetary policy in the U.S. and the global economy. It covers the Bond, Stock and Foreign exchange markets and how interest rates, stock prices and the value of the dollar in terms of foreign currency are determined. Bank balance sheets, Interest rate risk, liquidity, asset and capital adequacy management are also covered. The functions, history and role of the Federal Reserve (The Fed), the goal of monetary policy and monetary policy tools are discussed in detail.

Prerequisite: ECON-101 with a C- or better and MATH-112. Restricted to those who have not had ECON 306 and/or BUSN350. Open to Junior and Senior Economics and Business majors and all Sophomore and First-Year students. Cross-listed with ECON-245.

BUSN/ECON 275 Industrial Organization and Public Policy

Industrial Organization studies the impact of market structure on strategy, conduct, and economic performance. This course will use industry studies to develop the theoretical framework of industrial organization, to examine economic problems related to different market structures, and to analyze public policy. We will spend a substantial amount of time on the history of individual industries. We will explore U.S. public policy towards industry, with an emphasis on antitrust.

Prerequisite: ECON-101 - minimum grade C-. Cross-listed with ECON-275.

BUSN 285 Business Communication

To introduce the fundamental principles of business communication, in both oral and written form, by examining real-world business challenges through class discussion, case study evaluation, team engagement, and oral presentation. We will use basic economic principles to help structure our understanding of these challenges.

BUSN 290 Selling Strategy

The course examines the strategy, skills and art involved in selling - primarily as it applies in for-profit U.S. businesses - but also considers the selling skills needed within non-profit organizations. Topics will include: building a customer-centric strategy, understanding transactional vs consultative selling, networking, and preparing for/executing/following up from sales calls. The course will link wherever possible to real world business situations through case study analyses and guest lecturers. Each student will develop a sales plan for their selected product or service, culminating in a role play presentation at the term's end.

Prerequisite: ECON-101 with a C- or better Open to Junior and Senior Business majors and all Sophomore and First-Year students.

BUSN 290 Selected Topics in Business

Special Topics offerings focus upon topics not addressed in the department's regular offerings. The course can be repeated with a different topic. Check the course schedule to see when Special Topics courses are being offered.

Prerequisite: ECON-101 with a C- or better Open to Junior and Senior Business majors and all Sophomore and First-Year students.

BUSN 290 Small Business Management

This course explores the basic functionality of small business management including ideation, formation, operating models, human resources, and the coordination among functional areas notably operations, finance, and marketing. This course simulates real-world small business management using a variety of devices including in-class discussion, case study evaluation, a business computer simulation in a team-based format, lectures, and guest speakers.

Prerequisite: ECON-101 with a C- or better. Open to all Junior and Senior BUSN/ECON majors and all First-Year and Sophomore students.

BUSN 290 Entrepreneurship

BUSN 295 Real Estate Finance

This course will help students to understand the many factors that affect the real estate market in order to carry out essential analysis and to make financial decisions. The tradeoff between risk and return and its interrelation with real estate finance is studied carefully over the course. In addition to real estate concepts and techniques students should also gain an understanding of both the process and property valuation approaches and the way real estate managers and investors think.

BUSN 325 International Marketing

Explores consumer marketing and business practices across the world. Students will compare consumer motivation, purchase behavior, cultural norms, branding, and marketing practices in different areas of the globe, as well as within racial, ethnic, and gender groups domestically. Global branding case studies will supplement texts and discussions.

Prerequisite: BUSN-220 Open to Junior and Senior Business majors and all Sophomore and First-Year students.

BUSN 340 Advertising & Promotion

This course is an intermediate level business course that builds on fundamental marketing principles. Students apply advertising and promotion principles to create, communicate and deliver brand equity value in products and services, organizations, and within the individual students themselves. The course explores the fundamentals of an integrated marketing communications campaign, from consumer behavior and communication theory to creative strategy and implementation. At each juncture, social, cultural, technological and regulatory issues will be considered.

Prerequisite: BUSN-150 and BUSN-220 Open to Junior and Senior Business majors and all Sophomore and First-Year students.

BUSN 350 Principles of Corporate Finance

Study of finance theory as it applies to corporate management and institutional investments. The course emphasizes present value analysis as an analytical tool, working capital management, resource budgeting, market efficiency, stock and bond valuation, dividend policy, financial leverage and risk, and mergers and acquisitions analysis.

Prerequisite: BUSN-150 and BUSN/ECON-160 or MATH-260.

BUSN 355 Principles of Investments

This course will provide a general overview of personal investing. We will discuss portfolio theory; equity, bond and commodity markets; investment tools and vehicles; and the construction of an effective investment portfolio. This will be taught from the perspective of the individual investor.

Prerequisite: BUSN-150, and BUSN/ECON-160 or MATH-260

BUSN 370 Negotiation and Persuasion

This course aims to give you a competitive advantage in situations that require you to influence others. Drawing from theory and research, the course will attempt to improve your understanding of negotiation and persuasion. Using case studies and exercises, the course will provide skills that enhance your ability to influence, negotiate, and manage conflicts.

Prerequisite: Two 200-level BUSN courses

BUSN 375 Market Research and Analysis

This course studies the planning, collection, and analysis of data relevant to marketing decision-making and communicating the results of analysis to management. The course further covers the function of studying and understanding the customer, consumer, and public behavior and purchase decisions and their implications to identifying and defining marketing opportunities and problems.

Prerequisite: BUSN-160 and BUSN-220

BUSN/ECON 405 International Trade

Explores the gains from specialization and trade within the context of various international trade models. Studies the instruments of trade policy and their welfare effects and carefully explores the political economy of trade policy.

Prerequisite: ECON-305

BUSN/ECON 410 Open Economy Macroeconomics

This course introduces basic concepts and analytical framework of open economy macroeconomics. It explores balance of payments, fixed and floating exchange rate, international financial markets, as well as equilibrium income in the open economy. It also provides students basic knowledge about how government policies affect private-sector performance in a global setting.

Prerequisite: Take ECON-306

BUSN/ECON 490 Advanced Topics in Business

The content for this course varies each quarter.

Prerequisite: ECON-305 and ECON-306 Open to Senior Economics and Business majors.

BUSN/ECON 490 Financial Frictions & Monetary Policy

This seminar provides a critical in depth understanding of the relationship between the financial sector and monetary policy in the context of the 2008/09 financial crisis. It covers the topics related to conventional and unconventional monetary policy, the Zero Lower Bound (ZLB) and forward guidance, the effect of monetary policy on asset prices, monetary transmission mechanisms, moral hazard and adverse selection in financial markets, the yield curve and term premiums and the role of monetary policy in financial stability. Most of the topics will be supported by empirical exercises on Eviews or Matlab. Cross-listed with ECON-490.

Prerequisite: ECON-306 Open to Senior Economics and Business majors.

BUSN 492 Financial Statement Analysis

This course is designed to prepare students to analyze, interpret and use financial statements effectively, both from a general management and investment perspective. A central theme is "value creation" - how a manager may use financial statements to guide value creating behavior and how investors use financial statements to identify value-creating opportunities.

BUSN 493 Strategic Marketing Management

Strategic Marketing Management is intended for seniors who wish to explore marketing and business strategy.

Prerequisite: BUSN-150, BUSN-220, and Seniors Standing

BUSN 495 Portfolio Management

The course describes the investment management process, starting with the investment policy statement (IPS) and the formulation of an appropriate investment strategy, and continues with monitoring, rebalancing and evaluating portfolios. The management of both individual and institutional investors will be covered along with capital market expectations, and optimization of asset allocation. This course also incorporates the use of a stock market simulator where students should put in practice their knowledge and skills.

Prerequisite: Must have taken BUSN-150.

BUSN 495 Adv. Topics Corporate Finance

Advanced Topics in Corporate Finance extends the learning from BUSN 350 Corporate Finance to include theory, concepts, and practical applications in capital structure, real and financial asset valuation, capital budgeting, derivatives, and forecasting.

Prerequisite: Must have taken BUSN-350.

BUSN 593 Senior Integrated Project

Each program or department sets its own requirements for Senior Integrated Projects done in that department, including the range of acceptable projects, the required background of students doing projects, the format of the SIP, and the expected scope and depth of projects. See the Kalamazoo Curriculum & Senior Integrated Project section of the Academic Catalog for more details.

Prerequisite: BUSN 380, permission of department and SIP supervisor required.

BUSN/ECON 595 Sip: Coursework

Prerequisite: Only senior business or economics majors may register.

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