Economics and Business

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

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.

Requirements for the Major in Business

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

Required Courses
ECON 101 Principles of Economics
BUSN 150 Principles of Accounting
ECON 305 Intermediate Microeconomics
ECON 306 Intermediate Macroeconomics

Electives
Take four out of the following: BUSN 205, 210, 215, 220, 245, 250, 275, 290, 325, 340, 350, 355, 365, 370, 492 or 493;

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.

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 principal 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, Note: Cross-listed with 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

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

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 economies 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 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.

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 and BUSN/ECON 155, MATH-110, MATH-111, or MATH 112

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

ECON 270 Labor Economics
The aim of this course is to provide an understanding of how labor market function. The topics include labor supply and labor demand, wage determination, human capital and education, unemployment, discrimination, and labor mobility. By the end of the course, students should be able to understand the theoretical concepts and empirical tools used to analyze labor markets and related public policy issues.
Prerequisite: ECON-101 and ECON-160

ECON/BUSN 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.

ECON 280 Law and Economics
Law and Economics 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

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 Open to Junior and Senior Business majors and all Sophomore and First-Year students.

ECON/BUSN 290 Introduction to Investments
The objective is to provide students with an overview of investment management. This course describes the investment market, the players/participants, and securities. Students will also learn about the measuring of risk and return, diversification and its impact on risk and portfolio construction, the trade-off between risk and return, and market efficiency.
Prerequisite: ECON-101 Open to Junior and Senior Business majors and all Sophomores.

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. Students are encouraged to take a 200 level Economics or Business course before taking ECON 305 though it is not a requirement.

Prerequisite: ECON-101; 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. Students are encouraged to take a 200 level Economics or Business course before taking ECON 306 though it is not a requirement.

Prerequisite: ECON-101 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 360 Econometrics**

A course that 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 380 Research Methods in Economics**

This course is a required junior research seminar for those wishing to do a SIP in the Economics Department. The overarching goal of this course is for students to learn basic business research methods and skills sufficiently to complete a Economics Department SIP successfully. Rising senior class students will learn how to design meaningful research projects, organize and write a compelling literature review, collect and analyze data with statistical methods appropriate for testable hypotheses, and write a final research report. This course is mandatory for those planning to do a SIP in economics. A companion course, Research Methods in Business, will be taught at the same time.

Prerequisite: BUSN/ECON-160 and ECON-305 or ECON-306 Open to Junior Economics majors only.

**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

**ECON/BUSN 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: ECON-306

**ECON 415 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 490 Advanced Topics in Economics Or Business**

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 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/BUSN 491 Real Estate Investment Trusts

This course exposes students to a wide range of real Estate and Investment related topics: REIs vs Mutual Fund, Risk and Return, Diversification Benefits, Tax advantages, etc. Presentation and discussion of more relevant papers and case studies in REITs field are emphasized. With this course students should also gain an understanding of the way Real Estate investors think.

Prerequisite: Must have taken ECON-306 or ECON-305.

ECON 593 Senior Individualized Project

Each program or department sets its own requirements for Senior Individualized 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 &gt; Curriculum Details and Policies section of the Academic Catalog for more details.

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

Business courses

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: ECON-101

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 principal 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.

Prerequisite: MATH 260 for BUSN/ECON 160.

Prerequisite: ECON-101

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. 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 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 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. Open to Junior and Senior Business majors and all Sophomore and First-Year students. Cross-listed with ECON-275.

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 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 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. Open to all Junior and Senior BUSN/ECON majors and all First-Year and Sophomore students.

BUSN/ECON 290 Introduction to Investments
The objective is to provide students with an overview of investment management. This course describes the investment market, the players/participants, and securities. Students will also learn about the measuring of risk and return, diversification and its impact on risk and portfolio construction, the trade-off between risk and return, and market efficiency.
Prerequisite: ECON-101 Open to Junior and Senior Business majors and all Sophomores.

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 technical aspects students should also gain an understanding of both the process and property valuation techniques 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
Promotion and Advertising 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 380 Research Methods in Business**
This course is a required junior research seminar for those wishing to do a SIP in the Business Department. The overarching goal of this course is for students to learn basic business research methods and skills sufficiently to complete a Business Department SIP successfully. Rising senior class students will learn how to design meaningful business research projects, organize and write a compelling literature review, collect and analyze data with statistical methods appropriate for testable hypotheses, and write a final research report that meets minimum business scholarship requirements. This course is mandatory for those planning to do a SIP in business. A companion course, Research Methods in Economics, will be taught at the same time.

**Prerequisite:** Take ECON-305 or ECON-306, BUSN/ECON-160, and at least one of the following: BUSN-220, BUSN-350 or BUSN-355. Open to Junior Business majors only

**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.

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

**BUSN/ECON 491 Real Estate Investment Trusts**
This course exposes students to a wide range of real Estate and Investment related topics: REIIts vs Mutual Fund, Risk and Return, Diversification Benefits, Tax advantages, etc. Presentation and discussion of more relevant papers and case studies in REITs field are emphasized. With this course students should also gain an understanding of the way Real Estate investors think.

**Prerequisite:** Must have taken ECON-306 or ECON-305.

**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 593 Senior Individualized Project**
Each program or department sets its own requirements for Senior Individualized 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 &gt; Curriculum Details and Policies section of the Academic Catalog for more details.

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

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