

KALAMAZOO COLLEGE
2017-2018 ACADEMIC CATALOG

Economics and Business

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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: BUSN/ECON 155 Mathematical Methods for Business and Economics or 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

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: BUSN/ECON 155 Mathematical Methods for Business and Economics or 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 155 Mathematical Methods for Business & Econ Economics

Designed to give economics and business students the quantitative skills necessary for upper-level courses in the department. The principal topics covered are graphing of linear and nonlinear functions, basic rules of differentiation, optimization techniques, and mathematics of finance (compounding and discounting). Students may substitute MATH 112 for ECON 155. Students that have successfully completed MATH-112 will not be allowed to earn credit for ECON/BUSN 155.

Prerequisite: ECON-101, and at least a high school algebra course.

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

ECON 225 Economics Development and Growth

The course explores the topic of economic development; what is the meaning of economic development and why are some countries "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/SEM 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

ECON/BUSN 245 Money, Banking, and Financial Markets

The study of national and international trends in banking establishes an institutional and historic understanding of the American financial system in the context of the global economy. Issues of globalization, exchange rate regimes, financial crises, and the role of central banks and international institutions (IMF, World Bank, BIS) are then examined in relation to domestic issues like inflation, employment and investment.

Prerequisite: ECON-101 and ECON-155 or MATH-112. Open to Junior and Senior Economics and Business majors and all Sophomore and First-Year students.

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

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.

Prerequisite: ECON-101; Restricted to Economics and Business majors

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

ECON/BUSN 290 Behavioral Economics

Have you ever wondered why you are feeling so happy when you spend your own time (and maybe money) to help others? Or why you're so reluctant to order the same food as your friends in a dinner? This course is designed to introduce students to the evolving field of behavioral economics - an emerging field of study that lays at boundary that divides economics and psychology. The central emphasis of behavioral economics is to bridge economics and psychology, looking at how certain mental rules of thumb, cognitive bias, individual differences, and interpersonal relationships lead to individual judgments and decisions that will SYSTEMATICALLY deviate from theoretical, optimal decisions. You will find the things you learned in this class have implications in many fields in social science (economics, psychology, political science, management, marketing, etc.). Prerequisites: ECON 101 and a sophomore standing.

Prerequisite: Take ECON-101

ECON 290 Health Economics

This course is designed to provide students with issues related to efficiency, effectiveness, value, and behavior in the production and consumption of health and health care. The course will cover the following topics: the production of health, the demand for health care, government's influence on health behaviors, health insurance's effect on the demand for medical care, employer-sponsored health insurance's impact on labor market outcomes, and insurance's effect on health. The class will also include guided discussions of current health care topics. 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.

Prerequisite: ECON-101

ECON/BUSN 290 Derivatives and Cryptocurrencies: Insights in Financial Innovation

An economy's growth is dependent on innovations in its monetary and banking systems. This course examines financial innovations across time, especially in the derivatives and cryptocurrency markets. It traces the beginnings of these markets all the way through to today's headlines. It examines regulations in these markets as well as the risks to economic stability that innovation can cause.

Prerequisite: ECON-101

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: Take ECON-101; Take ECON-155 BUSN-155 or MATH-112; 200-level Economics or Business course recommended. Restricted to Economics and Business majors

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 both closed and open economies; the short run fluctuation of the economy; the influence of monetary, fiscal, and exchange rate 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: Take ECON-101; Take ECON-155 BUSN-155 or MATH-112; 200-level Economics or Business course recommended. Restricted to Economics and Business majors

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 ECON & BUSN majors only or Instructor Permission

ECON/BUSN 365 Multinational Finance

Explores both international financial markets and global corporate finance. The main topic is the foreign exchange market as we explore how exchange rates are determined, can be predicted, and what derivatives can be used for foreign exchange risk management.

Prerequisite: ECON-306

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: Take ECON-305, ECON-306 and BUSN/ECON-160

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. Additional topics covered include outsourcing, harmonization efforts, and preferential trade agreements.

Prerequisite: ECON-305

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: 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

The content for this course varies each quarter.

Prerequisite: Take ECON-235 and Seniors Standing

ECON/BUSN 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: Take ECON-305 and ECON-306 and be a senior BUSN or ECON major.

ECON/BUSN 491 Financial Crisis

The content for this course varies each quarter.

Prerequisite: Take ECON-305 and ECON-306 and Seniors Standing and ECON/BUSN Majors Only

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 -> 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 155 Math Methods for Business and Economics

Designed to give economics and business students the quantitative skills necessary for upper-level courses in the department. The principal topics covered are graphing of linear and nonlinear functions, basic rules of differentiation, optimization techniques, and mathematics of finance (compounding and discounting). Students may substitute MATH 112 for ECON/BUSN 155. Students that have successfully completed MATH-112 will not be allowed to earn credit for ECON/BUSN 155.

Prerequisite: ECON-101, and at least a high school algebra course.

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: ECON-101

BUSN 205 Principles of Management

Explores fundamental management concepts, strategies, and their impact on the modern business organization, combining theory with practical application. Core course topics revolve around leadership, team motivation, goal-setting and evaluation, sustainable culture-building, 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; Business or Economics Majors Only

BUSN/ECON 245 Money, Banking, and Financial Markets

The study of national and international trends in banking establishes an institutional and historic understanding of the American financial system in the context of the global economy. Issues of globalization, exchange rate regimes, financial crises, and the role of central banks and international institutions (IMF, World Bank, BIS) are then examined in relation to domestic issues like inflation, employment and investment.

Prerequisite: ECON-101 and ECON-155 or MATH-112. Open to Junior and Senior Economics and Business majors and all Sophomore and First-Year students.

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; Restricted to Economics and Business majors

BUSN/ECON 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

BUSN/ECON 290 Behavioral Economics

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Prerequisite: Take ECON-101

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

BUSN/ECON 290 Derivatives and Cryptocurrencies: Insights in Financial Innovation

An economy's growth is dependent on innovations in its monetary and banking systems. This course examines financial innovations across time, especially in the derivatives and cryptocurrency markets. It traces the beginnings of these markets all the way through to today's headlines. It examines regulations in these markets as well as the risks to economic stability

that innovation can cause.

Prerequisite: ECON-101

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 within ethnic, gender, age, and socio-economic segments domestically. Global branding case studies will supplement texts and discussions.

Prerequisite: BUSN-220

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: Take BUSN-150 and BUSN-220

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/ECON 365 Multinational Finance

Explores both international financial markets and global corporate finance. The main topic is the foreign exchange market as we explore how exchange rates are determined, can be predicted, and what derivatives can be used for foreign exchange risk management.

Prerequisite: ECON-306

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 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, ECON-306, BUSN/ECON-160 and at least one of the following: BUSN-220, BUSN-350 or BUSN-355

BUSN/ECON 490 Advanced Topics in Business

The content for this course varies each quarter.

Prerequisite: ECON-305 and ECON-306 and Senior Standing and ECON/BUSN Majors Only.

BUSN/ECON 491 Financial Crisis

The content for this course varies each quarter.

Prerequisite: ECON-305 and ECON-306 and Senior Standing and ECON/BUSN Majors Only.

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 general business strategy. Students will strategically assess business challenges and develop comprehensive marketing plans to address them. Economic, cultural, regulatory, social, and interpersonal issues will be considered.

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 -& Curriculum Details and Policies section of the Academic Catalog for more details.

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

The Academic Catalog contains the most accurate information available at the time of publication. Statements contained therein are not contractual obligations, and verbal or other representations that are inconsistent with or not contained within the catalogues' offerings or policies are not binding. Kalamazoo College reserves the right to change, without specific notice, offerings, policies, procedures, qualifications, fees, and other conditions.

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