

**Applied Business Economics (BECO 3310-001)**

Texas Tech University

Fall 2023

CRN: 42315

Monday, Wednesday, Friday 8:00am – 8:50am

Rawls College of Business, Room 101

**Instructor:**

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Office: **Admin 169**

Office Hours: Wednesday at 2:30 PM – 3:30 PM

Friday at 9:00 AM – 10:00 AM

Or by appointment

**Course Description, Purpose, and Structure:**

This course provides students with a better understanding of the relationship between the economic way of thinking and business decisions and strategies using the principles of microeconomics.

The purpose of this course is to harness in the basic tools of the trade for the economic way of thinking. In this course, we focus on developing your ability to reason using microeconomics.

In this course we will start to advance your technical (mathematical/graphical) abilities, but nonetheless I will still continuously stress the application of the theories to understand the real-world phenomena. The goal is that you take with you a new economic way of thinking about how to approach and solve problems.

Lectures will be given in person using PowerPoint slides.

**Prerequisites:**

C- or higher in ECO 2305 or AAEC 2305.

**Expected Learning Outcomes:**

After completing this course, students will be able to:

1. Demonstrate ability to apply supply and demand analysis to competitive markets.
2. Comprehend and apply the concept of elasticity to demand and supply, and illustrate how this concept can improve forecasts and analysis in applied business settings.
3. Demonstrate proficiency with the concepts of economic costs and cost minimization, profit maximization as a guiding principle, and the bilateral discipline the firm and market exert on each other in a contestable market.
4. Identify causes of creating and maintaining market power, and how market power might be used by a firm. This includes understanding the spectrum of market power from pure monopoly to perfectly competitive markets.
5. Recognize and evaluate intended and unintended consequences of government intervention in markets, and the direct and indirect impact on individual firms.

**Textbook (Required):**

Mankiw, N. Gregory. 2023. *Principles of Microeconomics*. 10<sup>th</sup> Edition. Boston, MA: Cengage. Print Edition ISBN: 978-0357722862

**What you need to purchase:**

**It is recommended that you purchase [Cengage Unlimited](#)**, a subscription, as it will give you access to all your Cengage course materials including online learning solutions and eTextbooks for \$124.99 per term, \$189.99 per year or \$249.99 for two years. No matter how many Cengage products you use, they are included in Cengage Unlimited at no additional cost.

If you have questions about purchasing and accessing your course materials, please join one of the Cengage Virtual office Hours for students, office hours can be found using the following link. [Cengage Student Support and Virtual Office Hours](#)

**Prefer print?**

You also get a textbook rental with your activation through Cengage Unlimited for \$9.99 + free shipping. Cengage Unlimited is available at the TTU on campus bookstore or using the Direct Purchasing option from Cengage when you access your MindTap Course through Blackboard.

**Grading:**

Pre-Course Assessment (8-28-22 through 8-29-22)		5% (Bonus)
Homework Assignments		30%
Post-Course Assessment (11-27-22 through 11-28-22)		10%
Exam 1	} <b>Your lowest score out of these four will be dropped.</b>	20%
Exam 2		20%
Exam 3		20%
Final Exam		20%

Note: the possible total adds up to 105 points. Why? The Pre-Course Assessment is mandated by the Rawls College of Business but is not required to count towards a 100-point total (unlike the Post-Course Assessment which is mandated to be 10 points). the Pre-Course Assessment will count as extra credit. **HOWEVER, you are REQUIRED to take the PRE-COURSE ASSESSMENT. If you fail to do so, you will LOSE 5 points from your final grade.**

All grades (in terms of points) will be recorded on Blackboard. Your final grade will be your total number of points. That total will translate into a letter grade as follows.

A	=	90-100 points
B	=	80-89 points
C	=	70-79 points
D	=	60-69 points
F	=	< 60 points

Pluses and minuses will be given out sparingly and at my discretion. Further, additional bonus point opportunities will be available throughout the semester (see below).

### **Homework:**

There will be homework each week for the chapters covered that week. For each question area on a homework assignment: (1) you are allowed up to three attempts and (2) are graded based on the attempt with the highest score. **Homework can be found on the class Blackboard homepage and must be submitted by the dates specified in the syllabus by 11:59 PM.** Once you begin a homework assignment, until it is completed you can take as long as you like (within the availability window) and even log-out and then come back to it later. But once the availability window closes (**on Sunday 11:59 PM**) no more work can be done.

### **Pre-Course Assessment:**

There is a Pre-Course Assessment that will be administered to all BECO 3310 students (across all sections) via Blackboard. This is a 20-question multiple choice test over 5 topic areas and is a Rawls College of Business requirement.

The Pre-Course Assessment is available from **8:00 AM on 8-28-22 until 5:00 PM on 8-29-22.** You are responsible for making time to take the Pre-Course Assessment.

The Pre-Course Assessment questions count for up to *5 extra credit points* on your final grade. **BUT you MUST take the pre-course assessment; it is REQUIRED. If you do not take the Pre-Course Assessment you will LOSE 5 points from your final grade.**

### **Post-Course Assessment:**

There is a Post-Course Assessment that will be administered to all BECO 3310 students (across all sections) via Blackboard. This is a 40-question multiple choice test over 5 topic areas and is a Rawls College of Business requirement.

The Post-Course Assessment is available during from **8:00 AM on 11-27-22 until 5:00 PM on 11-28-22**. You are responsible for making time to take the Post-Course Assessment.

The Post-Course Assessment counts for up to *10 points of your final grade*, a Rawls College of Business requirement.

### **Exams, Exam Days, and Review Sessions:**

Our class periods are 50 minutes long and exams are meant to be completed in that time (see ADA statement below concerning disability accommodations). That being said, be sure to show up on time so you have time to complete the exam.

The lecture before each exam is an exam review session where you are free to ask whatever questions you want. There is no prepared material for these sessions. We will review whatever material you wish based on the questions you bring. You are NOT required to attend review sessions and there is no credit for doing so. They are for your benefit if you think they will be useful.

Exams will be based on required readings, my lectures, and the PowerPoint slides. Exam questions may come from the reading material even if it has not been explicitly covered during any lectures. Likewise, questions may be from lecture material not covered explicitly in the readings. The first three exams will cover the specific portion of the course material preceding it but following (if applicable) the prior exam. The final exam will be cumulative.

**Your lowest exam grade will be dropped, so you will only be graded on three exams.**

Exams will consist of both multiple choice and short essay questions. You are responsible for bringing a **No. 2 pencil** (and preferably backups) on exam days. You are also responsible for bringing **an orange Texas Tech scantron sheet**.

ANY electronic device (not including calculators) visible during an exam will result in automatic failure. Calculators are permitted but not required as the math will be fairly simple and straightforward.

### **Missed Exam Policy:**

Of course, medical and family emergencies are acceptable excuses for missing an exam. Given one of these cases, please contact me privately regarding the scheduling of a makeup exam.

If you are a member of a TTU club/team with a scheduled event/trip and will miss an exam, you must notify me at least one week prior to the scheduled exam so we can arrange a makeup exam.

**Bonus Points:**

There will be four extra credit opportunities this semester. They are events hosted by the [Free Market Institute](#). To get the extra credit you must write a one-page (12 pt. font, double spaced) summary, impressions, or thoughts on the talk. Each event is worth 1 point each. **However, if you attend at least three or more events you will get 5 points.**

The events are:

1. *Fossil Future* w/ Alex Epstein (9-5-23 from 5:30 PM to 6:30 PM)
2. *The Myth of Skyrocketing Inequality* w/ Phil Magness (9-28-23 from 5:30 PM to 6:30 PM)
3. *National Development Delivers and Kinky Development is Just a Fetish* w/ Lant Pritchett (10-18-23 from 5:30 PM to 6:30 PM)
4. *The Puzzle of Prison Order: Why Life Behind Bars Varies Around the World* (11-9-23 from 5:30 PM to 6:30 PM)

The time and location of the event will be shared in advance in class and on blackboard. I also reserve the right to include additional extra credit opportunities throughout the semester.

**Tentative Course Calendar:**

Date	Unit	Readings
8-25-23	Introduction & the Marvel of Markets	None
Week 1	Basic Principles	Chapters 1 and 2
<b>Week 2 (9-4-23)</b>	<b>Labor Day</b>	
Week 2	Gains from Trade	Chapters 3 and 9
Week 3	Supply and Demand	Chapter 4
Week 4	Elasticities	Chapter 5
Week 5	Price Controls	Chapter 6
Week 6	The Price System and EXAM 1 Review	Chapter 7
Week 7	<b>EXAM 1 (10-2-23)</b> and Taxation	Chapter 8
Week 8	Production	Chapter 14
Week 9	Market Structures	Chapter 15
Week 10	Price Discrimination and Strategy	Chapter 16
Week 11	<b>EXAM II (11-6-23)</b> and Asymmetric Information Problems	Chapter 23

Week 12	Externalities and Transaction Costs	Chapters 10 and 11
<b>Week 13 (11-22-23 to 11-26-23)</b>	<b>Thanksgiving Break (Cancel 11/20 class)</b>	
Week 14	Poverty and Income Inequality	Chapter 21
Week 15	<b>EXAM III (12-4-23)</b>	None

### **Homework Schedule:**

<b>Date</b>	<b>Chapters</b>
Due 9/6 (Week 1)	Chapters 1 and 2
Due 9/10 (Week 2)	Chapters 3 and 9
Due 9/17 (Week 3)	Chapter 4
Due 9/24 (Week 4)	Chapter 5
Due 10/8 (Week 6)	Chapter 7
Due 10/15 (Week 7)	Chapter 8
Due 10/22 (Week 8)	Chapter 14
Due 10/29 (Week 9)	Chapter 15
Due 11/12 (Week 11)	Chapter 23
Due 11/19 (Week 12)	Chapters 10 and 11

\*\*\*This schedule is *tentative*, meaning it can be subject to change. I reserve the right to modify this schedule if necessary. If I do so a revised syllabus will be posted on Blackboard, and you will be notified of this both in class and via email.\*\*\*

### **Important Dates:**

8-28-22 through 8-29-22: Pre-course Assessment  
11-27-22 through 11-28-22: Post-course Assessment  
9-11-22: Last day to drop a course *without* an academic penalty.  
11-20-22: Last Day to drop a course *with* an academic penalty.  
10-2-23: Exam 1  
11-6-23: Exam 2  
12-4-23: Exam 3  
12-8-23: Final Exam from 4:30 PM to 7:30 PM

### **Electronic Devices:**

Many students find that utilizing electronic devices to take notes is productive. However, these devices are also potentially distracting to the student using them and disruptive to his or her classmates. So, we need some simple ground-rules.

- (1) All use of smart phones is prohibited in class.
- (2) Any use of the Internet (excluding Blackboard) on a laptop/tablet is prohibited in class.
- (3) If I detect or suspect the use of a prohibited device (or the use of an approved device in a non-class-related way) I will ask the student to leave the classroom (and will expect that the student complies).
- (4) The detection of ANY electronic device during an exam will result in immediate failure.

**Disability Accommodations:**

Any student who, because of a disability, may require special arrangements in order to meet the course requirements should obtain appropriate verification from Texas Tech's Student Disability Services (see ADA statement below). In the case of exam accommodations, I will be happy to provide them **provided that the student contacts me at least a week in advance of an exam for which you are requesting accommodations.** Doing so will provide me the time to schedule a room and a proctor. Requesting a week in advance is the student's responsibility.

**ADA Statement:**

Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as soon as possible to make any necessary arrangements. Students should present appropriate verification from Student Disability Services during the instructor's office hours. Please note: instructors are not allowed to provide classroom accommodations to a student until appropriate verification from Student Disability Services has been provided. For additional information, please contact Student Disability Services in West Hall or call 806-742-2405.

**Academic Integrity Statement:**

Academic integrity is taking responsibility for one's own class and/or course work, being individually accountable, and demonstrating intellectual honesty and ethical behavior. Academic integrity is a personal choice to abide by the standards of intellectual honesty and responsibility. Because education is a shared effort to achieve learning through the exchange of ideas, students, faculty, and staff have the collective responsibility to build mutual trust and respect. Ethical behavior and independent thought are essential for the highest level of academic achievement, which then must be measured. Academic achievement includes scholarship, teaching, and learning, all of which are shared endeavors. Grades are a device used to quantify the successful accumulation of knowledge through learning. Adhering to the standards of academic integrity

ensures grades are earned honestly. Academic integrity is the foundation upon which students, faculty, and staff build their educational and professional careers. [Texas Tech University (“University”) Quality Enhancement Plan, Academic Integrity Task Force, 2010].

**Religious Holy Day Statement:**

“Religious holy day” means a holy day observed by a religion whose places of worship are exempt from property taxation under Texas Tax Code §11.20. A student who intends to observe a religious holy day should make that intention known in writing to the instructor prior to the absence. A student who is absent from classes for the observance of a religious holy day shall be allowed to take an examination or complete an assignment scheduled for that day within a reasonable time after the absence. A student who is excused under section 2 may not be penalized for the absence; however, the instructor may respond appropriately if the student fails to complete the assignment satisfactorily.

**Covid-19 Statement:**

The University will continue to monitor CDC, State, and TTU System guidelines concerning COVID-19. Any changes affecting class policies or temporary changes to delivery modality will be in accordance with those guidelines and announced as soon as possible. Students will not be required to purchase specialized technology to support a temporary course modality change, though students are expected to have access to a computer to access course content and course-specific messaging as needed.

If you test positive for COVID-19, report your positive test through TTU's reporting system: <https://www.depts.ttu.edu/communications/emergency/coronavirus/>. Once you report a positive test, the portal will automatically generate a letter that you can distribute to your professors and instructors.

**Syllabus Changes:**

I reserve the right to change the syllabus. If changes are made, these will be announced in class and posted on Blackboard. I will try to limit any such changes to a minimum.