

Economic Analysis MBA

James Conrad PhD
Office: Esch Hall
Office Phone: 791 5715 Home 878-4124
Email: conrad@uindy.edu

<u>Grading:</u>	Homework and Quizzes	25%
	Two Exams	60%
	Project	15%

Attendance: Required and any make-up work must be approved in advanced of the scheduled date.

Text: Economics 7th Ed. by Colander

Ethics General University Policies apply to the issue of student ethics.

Course Content & Learning Goals: MBA 502 is a 'foundation' course in economics for first-year graduate students in business. The course content includes a basic coverage of both micro and macro subject areas. Students acquire a 'conceptual' understanding of economic principles and theories. The homework problems and class project are utilized to increase the applied understanding of the discipline. Knowledge acquired from the course assists students in their preparation for upcoming MBA classes in; marketing, strategy, production, finance, and forecasting. The instructor's goal is to provide incoming students with the necessary concepts and principles in economics to better assess and to analyze business-related problems. The conceptual understanding of economics typically improves the decision-making efforts of corporate executives and managers.

MAY 12**Chapters****PART 1: Introduction to Economics**

1. The Scope and Method of Economics
Homework Problems. none
2. The Economic Problem: Scarcity and Choice
Homework Problems. 14
- 3. Institutions**

Chapters 4 and 5
Demand, Supply, and market Equilibrium
Homework Problems. none
4. Demand and Supply
Homework Problems. 21,23 and 24
5. Homework Problems 16, 24 and 27

MAY 19**Chapters:**

6. Elasticity
Homework Problems 17,22, 23, 27, 30, 31
7. Taxation
Homework Problems 22 and 26
8. Utility analysis
Homework Problems 19 and 20

MAY 26**Chapters:**

9. Costs and Output Decisions
Homework Problems 12, 14 and 15
10. Cost analysis
Homework Problem 16
11. Perfect competition
Homework Problems 19 and 23

JUNE 2**Chapters**

12. Monopoly problems 17 and 20
13. Monopolistic problems 15, 17 and 20

JUNE 9

14. Oligopoly
Homework Problem 19
15. Competition in general
16. Anti trust policies
- 17.- 21
Homework none

JUNE16**EXAM 1****JUNE23****Chapters**

22. Introduction to Macroeconomics
Homework Problems 19 and 20
23. Measuring National Output and National Income
Homework Problems 18 and 19
24. Growth, Productivity, Unemployment
Homework Problems 21 and 24

JUNE 30**Chapters**

25. Aggregate Expenditure and Equilibrium Output
Homework Problems 15 and 16
26. The multiplier model
Homework Problems 16, 17, and 22

JULY 7 Chapters

27. The Money Supply and the Federal Reserve System
Homework Problems 24 and 26
28. Monetary policy
Homework problems 17 and 28

JULY 14

Discuss student projects

Chapters

29. Inflation and Phillips Curve

Homework Problem 19 a, b, and c

30. Fiscal policy and public finance

31. Deficit

Homework problem 17

32. Trade

Homework problem 31

33. Policy

34. Economic Development

****JULY 28 EXAM II****

JULY 21.

Papers Due

Economic Analysis

MBA 502 Class Projects

The class project is an attempt to apply economic principles to a business environment. The paper utilizes either empirical or secondary data wherever it is possible to enhance the analysis. Projections and forecasts include both quantitative and qualitative supporting evidence.

Possible Topics

- 1) Incremental cost analysis resulting from changing production schedules
- 2) The impact of upgrades in fixed assets on the coefficients of operating leverage
- 3) The effect of alternative price levels upon revenue-maximization levels

- 4) Forecasting product demand under ceteris paribus conditions in the marketplace
- 5) Assessments of current capacity utilization levels of fixed assets
- 6) The determination of profit-maximization quantity applying marginal analysis
- 7) Applying price-discrimination principles to maximize overall profitability
- 8) Measuring the level of cross-elasticity between two goods
- 9) Assessing the impact of income elasticity coefficients upon a sales forecast
- 10) Measuring the abrupt change in price elasticity of demand in oligopoly pricing
- 11) Managing production quotas in a Cartel market for maximization of earnings
- 12) Utilizing 'game theory' in oligopoly market analysis
- 13) Discovery of iso-quants and iso-costs schedules in production data
- 14) Discovery of a supply schedule in a market with ceteris paribus conditions
- 15) Determining equally satisfying combinations of two goods in an indifference curve analysis
- 16) Using a marketing strategy to alter a product's elasticity coefficients
- 17) Determine the second break-even point in the actual production and selling of a particular good
- 18) Allocating advertising expenditures to the point of equating marginal benefit with marginal cost
- 19) Conduct a GDP forecast under two different methodologies
- 20) Estimate the current 'natural rate' of unemployment and the location of the present Phillips Curve
- 21) Analyze the interrelationships between the 'twin defects' facing the U.S.
- 22) Provide two alternative methods for determining interest rates on bank loans
- 23) Analyze the liquidity level and solvency condition of two or more banks
- 24) Describe the impact of changing levels and slopes of the yield curve upon future bank profits based upon their current 'gap' condition
- 25) Utilize the 'market segmentation theory' to explain current slope of the yield curves
- 26) How would the introduction of a 'flat tax' impact future municipal bond prices and yields? Discuss
- 27) Forecast inflation and measure the possible sources
- 28) Develop the monetarist's model for money supply growth (the 'monetary rule')
- 29) Estimate the size of the 'crowding-out' effect created by the current budgetary deficits

- 30) Estimate the size of the investment multiplier upon local or national GDP
- 31) Forecast the 'real' growth rate and measure its impact upon future governmental revenues and deficits
- 32) What are alternative pricing methods for public goods? Especially those that have a zero marginal cost level of production?
- 33) Measure the elasticity differences between the composite product groups of US exports versus US imports. How does this impact the solutions to the trade problem?
- 34) How can the US improve its trade balance? (short-term vs long-term)
- 35) How would refinancing the national debt long-term in 2009 have potentially a negative effect upon future bank solvency levels?
- 36) Sub – prime loan crisis
- 37) The economic bailout analysis
- 38) Financial crisis in banking and financial markets
- 39) The 'state' of the economy
- 40) Other