

College of Business Administration
Department of Economics and International Business

ECON 3370 – Economics of Business and Government
Spring 2018

Meeting Time: Tuesday and Thursday 9:30–10:50 AM

Class Room: SHB 105

Instructor: Dr. Zijun Luo

Office Phone: (936) 294-3984

Office Hours: Tuesday and Thursday 2–4 PM

Wednesday 8–11 AM & 1–3 PM or by appointment

Prerequisite: ECON 2300, ECON 2301 or ECON 2302

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1 Course Description (Catalog)

A study of the complex relationship between the business sector and the public sector in the United States and in the global marketplace. Topics will include the regulation of business in its various formats and the promotion of business nationally and internationally.

2 Textbooks

- **REQUIRED:** James W. Brock, *The Structure of American Industry*, 13th edition, Waveland Press, Inc.
- **OPTIONAL:** Don E. Waldman and Elizabeth J. Jensen, *Industrial Organization: Theory and Practice*.

3 IDEA Learning Objectives

1. Gaining a basic understanding of the subject (e.g., factual knowledge, methods, principles, generalizations, theories)
2. Developing specific skills, competencies, and points of view needed by professionals in the field most closely related to this course
3. Learning how to find, evaluate, and use resources to explore a topic in depth
4. Learning to analyze and critically evaluate ideas, arguments, and points of view

4 Course Learning Objectives

After successfully completing this course, students should have

1. advanced their understanding of basic economic principles from previous courses
2. gained a basic understanding of industrial organization, the branch of economics focusing in understanding businesses and their relationships with the government especially through regulations
3. gained a basic understanding of game theory
4. gained a basic understanding of the industries covered, especially in relation to economic theories
5. developed, analyzed, and critically evaluated points of view in business-government relationships

5 Course Evaluation Process

• Homework assignment scores	160 points
8 homework assignments, each is potentially worth 20 points	
• Reading assignment scores	180 points
9 reading assignments, each is potentially worth 20 points	
• Report	80 points
• Presentation	80 points
• Exam scores	300 points
2 mid-term exams and final exam, each is potentially worth 100 points	

Homework assignments and reading assignments are **due in the BEGINNING of class on the scheduled due days** (listed in the tentative class schedule attached to the end of this syllabus). Assignments are graded for both completion and correctness. Among the 20 total potential points, 5 are given based on completion (turning in the homework on time) and the rest are awarded based on correctness. **No late homework will be accepted.**

There will be two mid-term exams plus the final. **All exams are closed-book and mandatory.** The second mid-term exam will only cover materials since the first mid-term, while **the final exam will be comprehensive.** Students will be given the entire class period (80 minutes) to complete a mid-term exam. A missed exam will be recorded as a zero. If you know ahead of time that you will not be able to take a mid-term exam at the scheduled time, come to me and discuss the conflict *at least 24 hours ahead of the scheduled exam period*. An arrangement may or may not be made for you to take the exam early. However, under no circumstances will you be allowed to take an exam after the scheduled time.

All students must take the final exam. There are no make-up final exams, unless otherwise permitted and approved according to SHSU policy. Students must take the final exam at the officially scheduled time. The final exam period is 120 minutes.

Exam scores will be posted on SHSU Online once graded.

You will need to write a report on a particular industry (see list below) and present your findings. Reports are due on Thursday, April 12, 2018. Only electronic submission will be accepted. Your file should be in either Portable Document Format (.pdf) or MS Word document format (.doc or .docx).

You can act solo or form groups of two to finish the report and the presentation. To encourage the formation of groups, students who are on their own will not be able to choose an industry; instead, I will assign you an industry. For groups, choice of industry is granted in a “first come first serve” manner. Note that students in the same group will receive the same score for the written report but scores from presentation may be different. Requirements and grading rubrics will be made available at a later time.

List of Industries: (in alphabetical order) breakfast cereal, computer, computer software, credit rating agencies, European professional football, fastfood, lodging, professional sports in the U.S. (choose one: MHL, MLB, NBA, NFL), ready-mixed concrete, retailing, smartphone, publishing

Exam Dates

- Exam 1Thursday, February 22, 2018
- Exam 2 Thursday, April 6, 2018
- Final ExamThursday, May 10, 2018 at 9:30AM

Letter grades will be assigned as follows:

Points Earned	% of Total Available Points	Grade Assigned
[720, 800]	[90%, 100%]	A
[640, 720)	[80%, 90%)	B
[560, 640)	[70%, 80%)	C
[480, 560)	[60%, 70%)	D
[0, 480)	[0, 60%)	F

6 Important Dates

Thursday, February 1 Last Day to Drop Without a “Q” Grade and Receive 100% Refund

Friday, April 6 Last Day to Drop with a “Q” Grade

7 Student Conduct and Discipline

Each student is expected to be fully acquainted and comply with all published policies, rules, and regulations of Sam Houston State University, copies of which shall be available to each student for review online and/or at various locations on campus. Students are also expected to comply with all federal and state laws.

7.1 Academic Honesty

All students are expected to engage in all academic pursuits in a manner that is above reproach. Students are expected to maintain honesty and integrity in the academic experiences both in and out of the classroom. Any student found guilty of dishonesty in any phase of academic work will be subject to disciplinary action. The University and its official representatives may initiate disciplinary proceedings against a student accused of any form of academic dishonesty including but not limited to, cheating on an examination or other academic work which is to be submitted, plagiarism, collusion and the abuse of resource materials. For a complete listing of the university policy, see: <http://www.shsu.edu/students/guide/>.

7.2 Cell Phone Policy

You will be asked to leave the classroom, unless prior approval is obtained, if you use your cellphone during class. The use of any cell phones, text messaging devices, or other electronic devices that are not explicitly approved

during an exam is strictly prohibited and is considered cheating. SHSU Academic Policy Statement 100728 states:

“Even the visible presence of such a device during the test period will result in a zero for that test. Use of these devices during a test is considered de facto evidence of cheating and could result in a charge of academic dishonesty”

For more details on the University’s policy on the use of telephones and text messagers, see: <https://www.shsu.edu/dotAsset/6d35c9c9-e3e9-4695-a1a1-11951b88bc63.pdf>.

7.3 Attendance and Movements Into and Out of Class

The instructor reserves the right to record attendance for each class meeting. According to university policy, “regular and punctual class attendance is expected of each student at Sam Houston State University.” See your undergraduate catalog for more details.

While the student is in class, he/she is expected to be awake and paying attention. Students should not study for another class while in this class. Students should not come and go from the classroom during the lecture, unless in extreme situations. Moving into and out of class interrupts the flow of class material, distracting both the students and the professor. Please be courteous by arriving to class on time and refrain from leaving the room until the class is dismissed.

7.4 Student Absences on Religious Holy Days Policy

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. Section 51.911 (a) (2) defines a religious holy day as: “a holy day observed by a religion whose places of worship are exempt from property taxation under Section 11.20....” A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For a complete listing of the university policy, see: <http://www.shsu.edu/dept/academic-affairs/documents/aps/students/861001.pdf>.

7.5 Students with Disabilities Policy

It is the policy of Sam Houston State University that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic program of the university. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance should register with the Office of Services for Students

with Disabilities located in the Lee Drain Annex (telephone 936-294-3512, TDD 936-294-3786, and e-mail disability@shsu.edu). They should then make arrangements with their individual instructors so that appropriate strategies can be considered and helpful procedures can be developed to ensure that participation and achievement opportunities are not impaired.

SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Services for Students with Disabilities and to talk with me about how I can best help you. All disclosures of disabilities will be kept strictly confidential. NOTE: No accommodation can be made until you register with the Services for Students with Disabilities. For a complete listing of the university policy, see: <http://www.shsu.edu/dotAsset/7ff819c3-39f3-491d-b688-db5a330ced92.pdf>

7.6 Visitors in the Classroom

Only registered students may attend class. Exceptions can be made on a case-by-case basis by the professor. In all cases, visitors must not present a disruption to the class by their attendance. Students wishing to audit a class must apply to do so through the Registrar's Office.

7.7 Other University Policies

For a complete list of university policies, see: <http://www.shsu.edu/syllabus/>.

8 Disclaimer

This syllabus is tentative and may be subject to change based on the needs of the class.

9 Tentative Class Schedule

In the following table, chapters from the required textbook are denoted by **B** while chapters from the optional book are denoted by **WJ**.

		Topics	Chapters	Assignment Due
1/18/2018	Thu.	SCP, Game Theory, Empirical IO, and Firm	WJ : 1, 6, 2.2, 2.3	
1/23/2018	Tue.	Review: Costs, Perfect Competition, and Monopoly	WJ : 2.4, 2.5, 3.1, 3.3	
1/25/2018	Thu.	Review: Cournot, Bertrand, and Monopolist Competition	WJ : 8.1, 8.3, 13.4	B : Agriculture
1/30/2018	Tue.	Game Theory	WJ : 7.1, 7.2, 7.3	Homework 1
2/1/2018	Thu.	Game Theory	WJ : 7.4, 7.5, 7.6, 8.2	B : Beer
2/6/2018	Tue.	Collusion and Cartel	WJ : 9, 10	Homework 2
2/8/2018	Thu.	Pricing Strategies	WJ : 11, 16	B : Movies
2/13/2018	Tue.	Nonpricing Strategies	WJ : 12, 14	Homework 3
2/15/2018	Thu.	Vertical Integration	WJ : 17	B : Telecommunications
2/20/2018	Tue.	Regulation and Deregulation	WJ : 18	Homework 4
2/22/2018	Thu.	Exam 1		
2/27/2018	Tue.	B : Agriculture		
3/1/2018	Thu.	B : Beer		B : Airlines
3/6/2018	Tue.	B : Movies		Homework 5
3/8/2018	Thu.	B : Telecommunications		B : College Sports
3/13/2018	Tue.	Spring Recess (no class)		
3/15/2018	Thu.	Spring Recess (no class)		
3/20/2018	Tue.	B : Airlines		B : Banking
3/22/2018	Thu.	B : College Sports		B : Health Care
3/27/2018	Tue.	B : Banking		Homework 6
3/29/2018	Thu.	B : Health Care		B : Automobile
4/3/2018	Tue.	B : Automobile		Homework 7
4/5/2018	Thu.	Exam 2		
4/10/2018	Tue.	B : Petroleum		B : Petroleum (Ex.)
4/12/2018	Thu.	Public Accounting		Report due
4/17/2018	Tue.	Presentations		Homework 8
4/19/2018	Thu.	Presentations		
4/24/2018	Tue.	Presentations		
4/26/2018	Thu.	Presentations		
5/1/2018	Tue.	Presentations		
5/3/2018	Thu.	Presentations		
5/10/2018	Thu.	Final Exam 9:30-11:30AM		