

**University of North Carolina at Greensboro  
Bryan School of Business and Economics  
Course Syllabus**

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**Course Number:** MBA 603

**Course Name:** Economic Analysis

**Instructor:** Dr. Stephen K. Layson

**Office:** Bryan 457

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**Office Hours:** R 5:30 – 6:30 or by appointment

**Required Materials:**

Hall, Robert E. and Lieberman, Marc *Microeconomics: Principles and Application*, second edition, South-Western, 2001.

Oster, Sharon M., *Modern Competitive Analysis*, third edition, Oxford University Press, 1999.

**Meeting Dates:**

Class will meet eight times, beginning on January 16, on Thursday evenings from 6:30-9:20 in Bryan 122. The final exam is Thursday evening, March 6 from 6:30- 9:30.

*Before the first class meets students should have read chapters 1-4 in Hall and Lieberman.*

**Course Description:**

The purpose of this course is to teach you how to use economic principles to analyze competitive business strategy. We begin with the Hall and Lieberman text, which covers basic microeconomic principles: scarcity, rationing, opportunity cost, supply and demand, price elasticity of demand and supply, equilibrium price, cost curves, marginal analysis, and market structure. After this review, we study competitive business strategy. The text for the second part of the course is *Modern Competitive Analysis* by Sharon Oster. We begin the second half of the course by analyzing the strategic decision to enter an industry (chapters 1-4 in Oster). We then discuss competing in global markets (chapter 6 in Oster), corporate diversification (chapter 10 in Oster), vertical integration (chapter 11 in Oster) and mergers and acquisitions (chapter 12 in Oster).

**Relationship to Other Coursework:**

The scope of microeconomics is very broad and integrative. The fundamental basis of microeconomics is optimizing behavior in the context of a competitive environment. The material covered in this course is directly relevant to courses in The Operations Function, Organizational Behavior and Theory, Financial Management, Marketing Management, Cost Management Systems, and Strategy.

**Performance Evaluation and Grading:**

Your grade will be based on the following:

Homework Assignments	20%
Midterm	20%

Written Case Study	20%
Comprehensive Final Exam	40%

There will also be several quizzes given during the course to provide students feedback on their learning. Students can earn extra credit with good quiz scores.

**Exams:**

There will be two essay/problem exams given during this course: a midterm and comprehensive final exam. Students will be given 90 minutes for the midterm (1/2 period) and 3 hours for the comprehensive final exam. If a student misses the midterm exam, the weight on the midterm will be added to the final exam.

**Written Case Analysis:**

During the course, each student will write a case study. The case study must be typed and turned in on the assigned day. It will be graded for both content and writing quality. Students are allowed to work cooperatively on their case study but *each student must write their own case study.*

**Participation/Preparation:**

Class attendance except for the final exam and midterm is optional. Homework assignments and case studies may be e-mailed or faxed to the instructor. For those who attend class, questions and class discussion are encouraged. In-class projects will also be given to help reinforce the assigned readings. Questions outside of class time are also encouraged. Feel free to e-mail the instructor at any time if you have questions.

**Technology Applications:**

The internet is used by students to get economic data to complete homework assignments. Students are also encouraged to use the internet to do research for their case studies. In addition the instructor uses the internet to get current examples of the economic theory taught in class.

**Ethical Perspectives:**

Executives often must use their judgement to make difficult ethical decisions. Ethical issues arise frequently in economic decision making and will be discussed in class.

**Global Perspectives:**

For many US industries the market is not limited to the US but is global. Consequently global issues are discussed throughout this course. Chapter 6 in Oster deals specifically with global markets.

**Demographic Diversity Perspectives:**

It is important for firms to be sensitive to the diversity of their employees and customers to be successful. Where appropriate diversity perspectives will be addressed in this course.

**Political, Social, Legal, Regulatory, and Environmental Perspectives:**

Government regulation and legal issues are very important factors affecting firms' behavior. This course will pay particular attention to how the Patent and Antitrust Laws affect firms.

**Academic Honesty:**

Students are responsible for becoming familiar with and honoring the Academic Honor Policy in all its aspects. Violations of the Honor Policy will be dealt with severely in this course.

## **Tentative Schedule**

January 16 Introduction, Supply and Demand, Price Elasticity of Demand and Supply,  
Income Elasticity of Demand Chapters 1 - 4 in Hall  
and Lieberman

First Homework Hand Out

January 23 Firm Cost Curves and Competitive Industry Analysis Chapters 6-8 in Hall  
and Lieberman

Quiz 1: Supply and Demand

First Homework Due; Second Homework Hand Out

January 30 Monopolistic competition, Oligopoly and Monopoly Chapters 9-10  
in Hall and Lieberman

Quiz 2 over Cost Curves

Second Homework Due; Third Homework Hand Out

Case Study Hand Out

February 6 Industry Attractiveness and The Five Forces Model Chapters 1-3  
in Oster

Midterm exam; Third Homework Due

February 13	Five Forces Model Continued and Global Markets 6 in Oster	Chapters 4 and
February 20	Corporate diversification, Vertical integration, Mergers and Acquisitions 12 in Oster	Chapters 10-
	Quiz 3 over Five Forces Model Case Study Due	
February 27	Discussion of Case Study and Miscellaneous Topics Quiz 4 over Corporate Diversification, Vertical Integration and Mergers	
March 6	Final Exam	