

**Stetson School of Business and Economics  
Fall Semester 2004**

**BAM 606: Applied Microeconomic Analysis**

**Instructor:** Wm. Stewart Mounts, Jr.

**Office:** 210 Stetson Hall (301-2837)

**Hours:** 3:30 - 5 TR or by appointment

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**Course Description:** A survey of economic tools and analysis available to the manager for business decision-making. Includes such topics as: pricing, forecasting, demand analysis, and macroeconomic policy as it affects the business environment.

**Course Objectives:** The purpose of this course is to develop an economic perspective that will be appropriate for the MBA program and for general business situations. This is a course in economic analysis, not opinion. In fact, economics is a method of thinking. My purpose is to present this method to you and see if you can use it. Because class meets twice a week, a great deal of individual study should take place between meetings. Lectures are based on the assumption that this occurs and that you have a basic knowledge of general business and economic topics. The text is for your reference. I encourage you to read the Wall St. Journal (or other business publications) on a regular basis. Class discussion, examples, and test questions are taken from this source.

To summarize, the objectives include:

1. Develop economic tools useful for business decision-making;
2. Examine decision-making in markets by businesses and consumers;
3. Examine production decisions and cost consequences;
4. Develop various types of elasticities and discuss pricing practices;
5. Consider business problems from an economic perspective.

**Prerequisites:** ECN 150, Principles of Microeconomics

**Text:** Boyes, William J. The New Managerial Economics, Houghton Mifflin, 2004.

Also, students are encouraged to purchase a subscription to the Wall St. Journal.

**Class Evaluation:** Three exams are given throughout the term. Tests are announced at least one week in advance (tentative dates: Sept. 30, Oct. 28, and Dec. 7). Your grade is based on the average of the three tests.

**Tests:** All tests consist of seven essay questions. You must answer the first three and two from the remaining four. The first three questions are taken from the current section's material while the last four questions can be taken from all previous material. You may use the text and class notes during the test. All material is fair game.

**Grading Structure:** Individual tests are graded according to the following format:

A – 100 – 90  
B+ - 89 – 88  
B – 87 – 80  
C+ - 79 – 78  
C – 77 – 70  
F – 69 – down

Final grades are assigned after considering trends in test scores.

**Honor System:** The graduate honor code is enforced. Copies of the graduate honor system may be obtained from the MBA Office.

**Assignments:** Section 1: Chapters 1-4 – Introduction and consumer behavior  
Section 2: Chapters 5-9 – Costs, production, profit maximization, pricing, and the new economy  
Section 3: Chapters 10-16 – Corporate structure, compensation, games, international considerations, strategy, etc.  
Entire Term - Macroeconomics

No class: Sept. 6, Oct. 12, Nov. 25.

**University Policy for Students with Disabilities:**

Students with a documented disability should inform the instructor at the close of the first class meeting. This instructor will refer you to the Office of Student Services (SSS) for consultation regarding evaluation, documentation of your disability, and recommendations for accommodation, if needed. Students will receive from SSS the *Faculty Accommodation Form*. On this form, SSS will identify reasonable accommodations for this class. The form must be given to the instructor for signature and then returned to SSS. Take full advantage of disability services, it is recommended that students contact SSS immediately. This office is located on the third floor of the Connell Student Center.