



Fermanian School of Business

BUS 6030: The Economic Environment of Business

3 credit hours

Spring 2020

Meeting days: Wednesdays	Instructor title and name: Dr. Lynn Reaser T.A. Mark Undesser
Meeting times: 5:30 to 8:15pm	Phone: (619) 849-2690
Meeting location: Liberty Station Conference Center, Room 202	E-mail: Lynn: lynnreaser@pointloma.edu Mark: mundesse@pointloma.edu
Final Exam Presentation: April 29th	Office location and hours: Fermanian Business and Economic Institute, Fermanian Business Center (main campus)
Additional info: N/A	Additional info: N/A

PLNU Mission

To Teach ~ To Shape ~ To Send

Point Loma Nazarene University exists to provide higher education in a vital Christian community where minds are engaged and challenged, character is modeled and formed, and service is an expression of faith. Being of Wesleyan heritage, we strive to be a learning community where grace is foundational, truth is pursued, and holiness is a way of life.

COURSE DESCRIPTION

This course provides an overview of analytical tools that economists use to solve business problems, as well as exposure to the economic environment within which businesses operate. Key concepts and ideas from both microeconomics and macroeconomics are introduced. The focus is to enable students to be able to identify, understand and evaluate both domestic and global drivers causing economic change. Particular attention is given to discussions of real-world applications.

COURSE LEARNING OUTCOMES

The following learning outcomes are aligned with the Fermanian School of Business Program Learning Outcomes. Upon successful completion of this course, you will be able to:

1. Exhibit an understanding of the tools and methods involved in microeconomic and macroeconomic analysis (PLO 1).

2. Evaluate the local, national and global impacts of changes to fiscal and monetary policy (PLO 3 & 4).
3. Apply marginal analysis to business problems and explain how basic economic reasoning can assist strategic decision making (PLO 3).
4. Analyze current issues using economic reasoning and ethical perspectives (PLO 1, 3 & 5).
5. Present ideas through effective written and oral communication (PLO 6).
6. Assess the current business climate and collaborate in a team to forecast industry performance (PLO 2, 3 & 7).

REQUIRED TEXTS AND RECOMMENDED STUDY RESOURCES

1. Froeb/McCann/Ward/Shor, *Managerial Economics*, Cengage, 5th Edition.
2. Baumohl, B., *The Secrets of Economic Indicators, Hidden Clues to Future Economic Trends and Investment Opportunities*, Third Edition.
3. *The Wall Street Journal* (daily) and *The Economist* (weekly).

ASSESSMENT AND GRADING

Activity	Points:		
Microeconomics Class		<u>Course Grading Scale (in points):</u>	
• Macroeconomics Leveling Post-Test	40	A=920-1,000	C=720-779
• Macroeconomic Forecast Evaluation	50	A-=900-919	C-=700-719
• Economic Article Analysis Reports	160	B+=880-899	D+=680-699
• Macroeconomic Final Exam	150	B=820-879	D=620-679
Microeconomics Class		B-=800-819	D-=600-619
• Microeconomics Leveling Post-Test	40	C+=780-799	F=0-599
• Microeconomics Homework	50		
• Economic Article Analysis Reports	80		
• Microeconomic Final Exam	150		
General Class			
Participation/Interaction	80		
Oral Presentation	50		
Team Project	150		
TOTAL	1,000		

Foundations of Macroeconomics and Microeconomics Course Assignment Leveling Module

You are required to take both the Foundations of Macroeconomics and Foundations of Microeconomics course assignment leveling module. The time to complete each module is estimated at 6 to 9 hours, depending on your previous exposure to the subject.

To access the Foundations of Macroeconomics and Microeconomics module, follow the on-screen instructions found at the following URL: <https://micro.peregrineacademics.com/pointloma>

The password for the module is: **PLNU-1001**

If you have any problems with the registration process, please visit Peregrine's technical support page at: www.peregrineacademics.com/support

To successfully complete the module, you must earn a minimum score of 80% on the module post-test. You are allowed to attempt the post-test twice. If you have not achieved a passing score (80%) after two attempts, you will be required to purchase a new module for \$35.00, and continue attempts until a passing score is achieved.

Each module is worth 5% of your total course grade. The percentage earned on each leveling module post-test will be translated into points earned in this course as follows:

Post-Test Percentage	Points Earned in Course
>92%	40
92	39
91	38
90	37
89	36
88	35
87	34
86	33
85	32
84	31
83	30
82	29
81	28
80	27
79	0
78	0
<78	0

MICROECONOMIC HOMEWORK

Homework assignments will primarily consist of problems from the end of each chapter and problems provided by the instructor and will be assigned (via Canvas) no less than three days prior to the due date of such assignments. All homework assignments must be turned in (via Canvas) no later than

11:59pm on the date such homework assignment is due. Four homework assignments will be graded for the semester. If more than four homework sets are assigned, the lowest grade(s) will be dropped. Late homework will *not* be accepted. Working in groups on homework assignments is encouraged; however, you cannot share homework files and must submit your own work. Homework must be prepared using Microsoft Excel or Microsoft Word (as appropriate) and submitted through Canvas, and must include all work and supporting calculations for credit.

ECONOMIC ARTICLE ANALYSIS: WRITTEN AND ORAL REPORTS

Each student will be required to submit SIX, two page reports (plus graphs and citations, using APA format). The student must use at least one reference source from *The Wall Street Journal* or *The Economist*. A minimum of two other sources must also be used in the analysis. Each report should focus on analysis of the subject versus reporting. This analysis can include the various causal forces at work; the impacts on the general economy, market, or your industry, firm, or life; the risks and opportunities; and the outlook. Each analysis is worth 40 points. Each student will be required to orally present on two of their reports. Each oral presentation is worth 25 points.

TEAM PROJECT

The Team Project will require each student group to select an industry or organization and then analyze, model, and forecast its performance based on key economic, demographic, financial, and other factors. A (PowerPoint) presentation will be made before the class; no written report will be required.

PARTICIPATION

The success of the course will be impacted by the quality of class participation. Each of you must feel comfortable contributing to discussions on a daily basis. Class participation will be based upon your contributions to discussions, including input or questions regarding the reading and homework assignments. In addition, you should be prepared to answer questions, and participate in group activities and other in-class assignments. Class participation will also be based upon your attendance.

PLNU ATTENDANCE AND PARTICIPATION POLICY

Regular and punctual attendance at all classes is considered essential to optimum academic achievement. If the student is absent from more than 10 percent of class meetings, the faculty member can file a written report which may result in de-enrollment. If the absences exceed 20 percent, the student may be de-enrolled without notice until the university drop date or, after that date, receive the appropriate grade for their work and participation. See Academic Policies in the Graduate and Professional Studies Catalog for additional detail.

INCOMPLETES AND LATE ASSIGNMENTS

All assignments are to be submitted/turned in by the due date listed on the syllabus schedule. Incompletes will only be assigned under extremely unusual circumstances. Any assignment, examination or project not received when due will be accepted with a **20% penalty from the maximum possible score per 24-hour period** following the due date with a maximum of 48 hours late. Any variation of this policy will only occur if the instructor has given approval *prior* to the due date and a new completion date and consequences have been agreed upon. This arrangement should be made only under *extreme* circumstances.

FINAL EXAMINATION POLICY

Successful completion of this class requires taking the final examination (which will be a team presentation) **on its scheduled day. No requests for early examinations or alternative days will be approved.** In addition, each of the two exams must be taken on their assigned dates. We will provide a makeup exam only for absences officially excused by the university or for emergencies completely beyond a student's control, such as a documented illness or injury. You must coordinate any conflict with one of these exams with us as soon as you discover it, preferably not later than 48 hours prior to the exam.

SPIRITUAL CARE

PLNU strives to be a place where you grow as whole persons. To this end we provide resources for our graduate students to encounter God and grow in their Christian faith. At the Liberty Station campus we have an onsite chaplain, Rev. Wil Ryland who is available during class break times across the week. If you have questions, desire to meet with Rev Ryland or prayer requests you can contact him directly at gradchaplainlibertystation@pointloma.edu. In addition there are resources for your Christian faith journey available at <http://www.pointloma.edu/experience/faith/graduate-student-spiritual-life>

PLNU COPYRIGHT POLICY

Point Loma Nazarene University, as a non-profit educational institution, is entitled by law to use materials protected by the US Copyright Act for classroom education. Any use of those materials outside the class may violate the law.

PLNU ACADEMIC HONESTY POLICY

Students should demonstrate academic honesty by doing original work and by giving appropriate credit to the ideas of others. Academic dishonesty is the act of presenting information, ideas, and/or concepts as one's own when in reality they are the results of another person's creativity and effort. A

faculty member who believes a situation involving academic dishonesty has been detected may assign a failing grade for that assignment or examination, or, depending on the seriousness of the offense, for the course. Faculty should follow and students may appeal using the procedure in the university Catalog. See Academic Policies in the Graduate and Professional Studies Catalog for definitions of kinds of academic dishonesty and for further policy information.

PLNU ACADEMIC ACCOMMODATIONS POLICY

While all students are expected to meet the minimum standards for completion of this course as established by the instructor, students with disabilities may require academic adjustments, modifications or auxiliary aids/services. At Point Loma Nazarene University (PLNU), these students are requested to register with the Disability Resource Center (DRC), located in the Bond Academic Center. (DRC@pointloma.edu or 619-849-2486). The DRC's policies and procedures for assisting such students in the development of an appropriate academic adjustment plan (AP) allows PLNU to comply with Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. Section 504 (a) prohibits discrimination against students with special needs and guarantees all qualified students equal access to and benefits of PLNU programs and activities. After the student files the required documentation, the DRC, in conjunction with the student, will develop an AP to meet that student's specific learning needs. The DRC will thereafter email the student's AP to all faculty who teach courses in which the student is enrolled each semester. The AP must be implemented in all such courses.

If students do not wish to avail themselves of some or all of the elements of their AP in a particular course, it is the responsibility of those students to notify their professor in that course. PLNU highly recommends that DRC students speak with their professors during the first two weeks of each semester about the applicability of their AP in that particular course and/or if they do not desire to take advantage of some or all of the elements of their AP in that course.

COURSE SCHEDULE AND ASSIGNMENTS

Lectures will be supplemented with class discussions, student presentations, group projects, reading assignments, research papers, statistical analysis, and guest speakers.

Wednesday, January 15	Course Overview, Key Economic Concepts, Forecast Exercise, Employment. Reading: Baumohl: Preface, Chapter 1, Chapter 2, Pg. 31-48. Due: Economic Article Analysis #1 by Midnight 1/20.
Wednesday, January 22	U.S. GDP, Productivity, Business Cycles, Inflation, and Indexes Due: Macroeconomics Leveling Module Post-Test by Midnight 1/27. Reading: Baumohl, Pg. 255- 268. Two Chapters from Fed Reserve Publication "The Federal Reserve System Purposes and Functions."
Wednesday, January 29	Monetary Policy Reading: Baumohl: Pg. 130-147, 305-322, 335-341. Due: Economic Article Analysis #2 by Midnight 2/3.
Wednesday, February 5	Data Sources, FRED and Tools of Analysis Reading: Baumohl: Pg. 349-354, 269-290. Due: Economic Article Analysis #3 by Midnight 2/10. FRED Practice by Midnight 2/10.
Wednesday, February 12	Interest Rates, Bonds, Stocks, Exchange Rates, Balance of Payments, and Commodities Reading: To be assigned Due: Economic Article Analysis #4 by Midnight 2/17
Wednesday, February 19	Fiscal Policies and the Deficit Due: Study for Macroeconomics Final Exam
Wednesday, February 26	Macroeconomics Final Exam Fiscal Policies and the Deficit Due: Forecast Evaluation by Midnight 3/2 Reading: Froeb Chapters 1 & 2
Wednesday, March 4	Economics and Business Chapter 1: What This Book is About Chapter 2: The One Lesson of Business Due: Economic Article Analysis #5 by Midnight 3/9 Reading: Chapter 3 & 4

Wednesday, March 11	No class --- Co-curricular Week Due: Microeconomics Leveling Module Post-Test by Midnight 3/16
Wednesday, March 18	Economics and Decision Making Chapter 3: Benefits, Costs, and Decisions Chapter 4: Extent (How Much) Decisions Reading: Chapter 6 Due: Economic Article Analysis #6, Chapters 3 and 4 Homework by Midnight 3/23
Wednesday, March 25	Pricing and Profits Chapter 6: Simple Pricing Reading: Chapter 7 Due: Chapter 6 Homework by Midnight 3/30
Wednesday, April 1	Production and Costs Chapter 7: Economies of Scale and Scope Due: Chapter 7 Homework by Midnight 4/6
Wednesday, April 8	No Class: Easter Reading: Chapter 8 Prepare for Team Project Presentation
Wednesday, April 15	Market and Industry Changes Chapter 8: Understanding Markets and Industry Changes Due: Chapter 8 Homework by Midnight 4/20 Due: Study for Microeconomics Final Exam
Wednesday, April 22	Microeconomics Final Exam Due: Work on Team Presentation Project
Wednesday, April 29	Final Team Presentation Project