

## **ECONOMICS 248, Government and Business, Spring 2018**

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Class: MWF 1:30-2:20pm (RLY 109E)  
Office Hours: TuTh 1:00-3:00pm  
Course website: <http://courses.furman.edu>

### **COURSE DESCRIPTION**

This course systematically explores the role of government in business. The course is concerned with how productive activities meet the demand for goods and services through an organizing mechanism such as a market, and how variations and imperfections in the organizing mechanism affect the degree of success achieved by firms in satisfying demand. We will examine why markets fail, and consider how they might be adjusted through government intervention (antitrust policies and regulation) to make actual performance measure up more closely to the ideal. To understand this interaction in the American economy, we will look at the historical, legal and theoretical reasons for government policies toward firms. A significant component of the course will involve students conducting investigations of various industries to see how the theory matches up to actual practice.

### **COURSE GOALS**

Students may take this course for many reasons. The title alone may have drawn in students with interests in the application of law, students looking to have a foundation in the theory of industrial organization, or students curious about how businesses navigate within government regulations. I hope to provide you with a foundation of economic tools which will be useful for all types of students – no matter what the goal of this course is for you. In general, I want you to be more informed citizens about how and why the government regulates markets. By the end of the course, you will:

1. Understand the history of the relationship between governments and firms.
2. Develop a background in the theory of different market structures.
3. Learn how the government tries to remedy market imperfections with regulation.
4. Apply the theory of market regulation to real-world cases.

### **TEXT**

Required: Custom Text based on Roger Sherman, *Market Regulation*  
ISBN: 978-1-323-33945-9

### **ACADEMIC INTEGRITY**

Furman University policy 121.5 states, "academic integrity is the foundation of the academic enterprise and essential both to the validity of the educational process and to the healthy functioning of the learning community." Academic integrity is not just about honesty in your own academic work. Academic integrity on campus also involves encouraging values such as honesty, trust, respect, fairness, and responsibility.

I expect all students to review Furman's policies on academic integrity. You are responsible for upholding these standards as you complete the assignments, conduct your research and take the exams for this course. You should be aware of the consequences of cheating, fabrication, facilitation, and plagiarism. Detailed information on the expectations of students and consequences of academic dishonesty are available at [www.furman.edu/integrity](http://www.furman.edu/integrity). I will report

all academic integrity violations to the Associate Academic Dean. In this class, any academic integrity violation results in an F for the course.

## **COURSE REQUIREMENTS**

### **Grades will be based on the following:**

Class Participation	10%
Problem Sets:	10%
First Exam	12.5%
Second Exam	12.5%
Final Exam	20%
Course Project	35%

Grades will be determined by the following scale: A (93-100), A- (90-92), B+ (87-89), B (83-86), B- (80-82), C+ (77-79), C (73-76), C- (70-72), D+ (67-69), D (63-66), D- (60-62), F (0-59).

### **Course Project:**

The course project will be conducted in groups. There will be multiple elements of the project that will be due at different points in the term. Some will be individual assignments and will be graded as such; others will be group assignments which will be graded as a group. I will describe the course project in more detail at a later date.

As part of our effort to protect academic integrity at Furman, the University subscribes to Turnitin.com, an online plagiarism detection service. In this course I will utilize this service by submitting your project assignments electronically to Turnitin.com. In turn, I will receive an originality report highlighting matches between words or strings of words in the submitted papers and sources found on Turnitin's extensive database. Your papers, like all materials submitted to Turnitin, will be stored on the service's restricted access database for the sole purpose of detecting possible plagiarism of such documents. For more information about Turnitin, refer to [www.turnitin.com](http://www.turnitin.com).

### **Makeup Exam Policy:**

No makeup exams will be given for any reason. If a student misses an exam due to serious illness or other compelling circumstance beyond the student's control, the weight of the missed exam will be transferred to the final exam.

If you have an anticipated excused absence (required extra-curricular activity, official representative of Furman), you must talk to me in advance so we can make alternate arrangements. If you don't talk to me until after the missed exam, I will consider that an unexcused absence.

The final exam must be taken at the established date and time. Any request to take the exam at a different time must be approved in advance by the Associate Academic Dean, Dr. Jeremy Cass. A student whose absence from the final exam is unexcused will be given a grade of zero.

### **Additional resources in the Center for Academic Success (CAS; LIB 002):**

The Writing & Media Lab (WML) is staffed by student Consultants who are trained to help you improve your writing and multimodal communication skills. The consultation process is non-directive and intended to allow students to maintain ownership of their work. In addition to helping with the nuts and bolts, WML Consultants also support you in developing your own ideas thoughtfully and critically, whether you're writing an essay or planning a video or other multimedia project. You may drop into the WML during its regular hours (LIB 002; 9 AM to 10 PM) or visit [wml.furman.edu](http://wml.furman.edu) to make an appointment online.

Peer Tutors are available free of charge for many classes and may be requested by dropping by CAS (LIB 002) or online here: [www.furman.edu/CAS](http://www.furman.edu/CAS). Tutors are typically recommended by faculty and have performed well in the class.

Professional Academic Assistance Staff in CAS can provide students assistance with time management, study skills, and organizational skills.

The Writing and ESL Specialist provides professional writing support as well as support for students whose primary language is not English.

**Accommodation Requests:**

The Student Office for Accessibility Resources is committed to helping qualified students with disabilities achieve their academic goals by providing reasonable academic accommodations under appropriate circumstances. If you have a disability and anticipate the need for an accommodation in order to participate in this class, please register with the Student Office for Accessibility Resources. They will assist you in getting the resources you may need to participate fully in this class. You can contact the SOAR office at 864.294.2320 or at [soar@furman.edu](mailto:soar@furman.edu). You can find additional information and request academic accommodations at the SOAR webpage.

## HOW TO GET THE MOST OUT OF THIS COURSE

Your goals for this course may vary. However, I think there are common studying practices that will enable you to get the most out of the course.

First, and hopefully most obvious, come to class and be an engaged participant. I expect you to read the **bolded readings** before class as we will have a class discussion on these readings. It will also be helpful to review the relevant chapter in the book before class to get an idea of what we will talk about and after class to help you work through anything you did not understand.

Second, be ready for the exams by keeping up with the reading, working through your problem sets, and reviewing your class notes. Go through the provided solutions and work through how to correctly solve questions.

Third, learning often happens faster and easier when working in groups rather than working alone. I often learn best by seeing how others approach problems, and by explaining to others how I work through problems. It's also nice to have peers to turn to when you're completely lost. *You are more than welcome to work in groups on your assignments.*

Fourth, my door is always open!

Date	Class	Assignments Due	Reading (required in bold)
1/8			
1/10	Introduction to Market Regulation		[Ch 1 - Intro to Mkt Reg], <b>Stiglitz- Government Failure versus Market Failure</b>
1/12	History of Governments and Firms		<b>Wallis – Market Augmenting Government</b>
1/15	No class - MLK, Jr holiday		
1/17	History of Governments and Firms		<b>Chandler – Organizational Capabilities</b>
1/19	History of Governments and Firms		
1/22	Competition as Market Regulator	Selection of industries (in class)	[Ch 2 - Competition as Market Regulator]
1/24	Competition as Market Regulator		[Ch 2 - Competition as Market Regulator]
1/26	Competition as Market Regulator		[Ch 2 - Competition as Market Regulator]
1/29	Problems for Competition as Regulator		[Ch 3 - Problems for Competition as Regulator]
1/31	Problems for Competition as Regulator		[Ch 3 - Problems for Competition as Regulator]
2/2	Problems for Competition as Regulator	Problem Set 1 due	<b>Armentano – Barriers to Entry</b>
2/5	Market Structure	Industry proposal due by email	[Ch 4 - Market Structure]
2/7	Market Structure		[Ch 4 - Market Structure]
2/9	Market Structure		[Ch 4 - Market Structure]
2/12	Market Structure		<b>Bunda - Monsanto, Matsushita, and Conscious Parallelism</b>
2/14	Market Strategy		[Ch 5 - Market Strategy]
2/16	Market Strategy		[Ch 5 - Market Strategy]

2/19	Market Innovation	Problem Set 2 due	
2/21	<b>Exam I</b>		[Ch 6 - Market Innovation]
2/23	No class		
2/26	Market Innovation		[Ch 6 - Market Innovation]
2/28	Antitrust Law		[Ch 7 - The Origin and Development of Antitrust Law]
3/2	No class		
3/5	No class - Spring Break		
3/7	No class - Spring Break		
3/9	No class - Spring Break		
3/12	Application of Antitrust Law		<b>Case readings - TBD</b>
3/14	Application of Antitrust Law		<b>Case readings - TBD</b>
3/16	Application of Antitrust Law	Annotated Bibliography due by email	<b>Case readings - TBD</b>
3/19	Pricing Principles		[Ch 9 - Pricing Principles]
3/21	Pricing Principles		[Ch 9 - Pricing Principles]
3/23	The Political System and Regulation		[Ch 8 - Industry Regulation]
3/26	The Political System and Regulation	Problem Set 3 due	[Ch 8 - Industry Regulation]
3/28	Politics and Business		
3/30	<b>Exam 2</b>		
4/2	Social Regulation		[Ch 10 & 11 - Social Regulation of Markets and Pursuing Social Regulation]
4/4	Social Regulation	Meet with me as a group	[Ch 10 & 11 - Social Regulation of Markets and Pursuing Social Regulation]
4/6	Social Regulation		[Ch 10 & 11 - Social Regulation of Markets and Pursuing Social Regulation]
4/9	Group presentation		
4/11	Group presentation		
4/13	Group presentation	Problem Set 4 due	
4/16	Group presentation		
4/18	Group presentation		
4/20	Group presentation		
4/23	Wrap-up	Paper & Evaluation due by email	
4/30	<b>Final Exam 12:00-2:30pm</b>		