ECONOMICS ELECTIVES
Fall 2024

Immerse yourself in Economics

Visit the Economics Department website:
http://academics.bentley.edu/departments/economics
A major corporation contemplates the introduction of a new product line. Is there a way to predict the strength of consumer demand? How are consumer decisions influenced by price changes? How does the firm decide what price to charge and how much output to produce? What is the nature of competition in the industry? What strategies do firms use to compete? To learn about these and other interesting concepts in microeconomics, enroll in EC224.

## EC 224
**INTERMEDIATE PRICE THEORY**

Intermediate Price Theory develops and reinforces the theory of price determination introduced in Principles of Microeconomics. In EC 224 Intermediate Price Theory, students gain a thorough understanding of microeconomic theory, which helps explain the operation of markets, the determination of price, and the decision-making processes of firms and consumers. Economic modeling and other useful, analytical tools are developed in the course and utilized to explore microeconomic theory and to demonstrate its relevance in understanding markets and pricing decisions. Among the topics to be studied are consumer choice, market predictions, production and cost analysis, profitability, competitive strategy, tax incidence and price discrimination.

Graphical models are the primary tool of analysis supported by basic algebra and introductory calculus. This course is required for all honors Economics-Finance, Business Economics and Quantitative Economics majors.

**Business Related Elective**  
**Prerequisites:** EC111 & EC112

**Professor:** Ben Chartock, AAC 179, Ext. 2423  
**Blocks:** 1

**Professor:** Sara Taghvatalab, AAC 199, Ext. 2857  
**Blocks:** 4 & 15
Are there ways to predict the strength of market demand? What factors are most important to determining price? Can consumer preferences and buying decisions be assessed in a systematic way? How do firms determine input usage and production levels to minimize costs? Why are some industries highly competitive while others are dominated by a single firm? What competitive strategies facilitate profitability? To learn about these and other interesting concepts in microeconomics, enroll in EC224.

**EC 224 - HONORS INTERMEDIATE PRICE THEORY**

Intermediate Price Theory is a field of study concerned with price determination in the marketplace and the interactions among consumers, firms, and government in the market process. Consumer behavior and firm decision-making form the fundamental basis for the course of study. Economic modeling and other useful, analytical tools are utilized to explore microeconomic theory and to demonstrate its relevance to market definition, consumer choice, cost structure, pricing decisions, and competitive strategies.

Among the topics to be studied are market predictions, production technology, cost structure, profit analysis, monopoly power, price discrimination, game theory, asymmetric information, and behavioral economics.

Graphical and quantitative models using basic algebra and calculus are the primary tools of analysis in the course. Real-world applications also are used to illustrate the relevance of microeconomics to consumer and firm decisions. Readings from the economics literature will be used to complement text readings and students will attend an Economics Department seminar as well. This course is required for all honors Economics-Finance, Business Economics and Quantitative Economics majors.

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**Business Related Elective**

**Prerequisites:** EC111 & EC112 (Honors Program Only)

**Professor:** Jeff Livingston, AAC 171, Ext. 2538

**Block:** 8
Will you be making or communicating important business decisions? Is it a good time to hire, expand, invest, or launch a new business? Are interest rates about to rise or fall? Is this a good time to issue/buy/sell that stock or bond? Understanding the macro-economy is crucial to many decisions. Do you follow U.S. and world news, economic and financial? Do you want better insights into those developments?

This course explains the workings of the economy and the impact of new policies, both monetary and fiscal. Learn how Fed decisions impact the economy and your sector or business.

Learn about the role of taxes, fiscal budgets/deficits, and national debt in the economy. Is the economy booming or in recession? What will it do next year, in the near and long term?

This course will analyze the issues above and help you become a fully engaged participant in important economic/business discussions and decisions.

EC 225
INTERMEDIATE MACROECONOMICS

This course analyzes the macroeconomic environment in which business operates. We examine reports and measures (GDP, CPI, interest rates, etc.) used to describe the performance of the macro economy. We analyze the economic behavior of households and businesses as well as the determination of GDP, inflation, unemployment, and interest rates.

We examine fiscal policy (the government) and the monetary policy (Federal Reserve/Central Bank) and determine their impact on economy. We study disagreements concerning fiscal and monetary policy, using different macroeconomic approaches.

Throughout the course, we will apply key analytical concepts to real situations and current events. We will occasionally look at financial markets: stocks and bonds. The course utilizes graphs in addition to some algebra. This course is required for all Economics-Finance, Business Economics and Quantitative Economics majors.

Business related elective
Prerequisites: EC111 & EC112

Professor: Elias Bikhazi, MOR 120, Ext. 2413
Block: 8

Professor: Ezgi Kurt, AAC 177, Ext. 2029
Block: 7 & 9
Do you read the newspaper or watch the news on television? Do you want to understand it better? This course explains the workings of the economy and the effects of actions made by policymakers. Learn the effects of Jay Powell’s decisions and why he makes them. Learn the effects of the new tax cuts, spending increases and budget deficits on the economy. How does the economic situation today compare with those we have experienced in the past? We will analyze all of these issues using the major macroeconomic frameworks. Learn macroeconomics and better understand the world around you. Impress your friends, impress your boss, take macroeconomics.

EC 225 HONORS
INTERMEDIATE MACROECONOMICS

This course analyzes the macroeconomic environment in which businesses operate. We will begin by examining the nature of the statistics used to describe the performance of the macro economy. The economic behavior of consumers and businesses is analyzed, as is the determination of key macroeconomic indicators such as national income, inflation, unemployment, and interest rates. The fiscal policies of the government and the monetary policies of the central bank are examined to determine their impact on macroeconomic performance. Disagreements concerning fiscal and monetary policies are examined using different macroeconomic theories.

During the course, periodic data-based problem sets are used to apply key analytical concepts, as well as readings on emerging topics in macroeconomic policy and theory, which are used to keep abreast of contemporary macroeconomic developments. In addition, readings on current theory and policy issues will be required. The course utilizes graphs extensively in addition to essays, algebra, and outside readings. This course is required for all honors Economics-Finance, Business Economics and Quantitative Economics majors.

Business Related Elective
Prerequisites: EC111 & EC112 (Honors Program Only)

Professor: Michael Quinn, AAC 175, Ext. 2938
Block: 6
This course aims to introduce modern econometric analysis to business students. It provides tools to infer meaningful information from data using descriptive and regression analyses. In the first half, it reviews the basic statistics used in econometrics and introduces mechanics of univariate and multivariate regressions. In the second half, we focus on causal interpretation of regression results, measures of fit, choice of functional form, multicollinearity and issues related to overfitting a prediction model and how to fix them. The course introduces students to the open-source interfaces such R, RStudio, and GitHub. Using these tools, students are expected to improve basic data manipulation skills, obtaining and interpreting sample statistics, conducting meaningful regression analysis and prediction.

**Arts & Science Related Elective**

**Prerequisites:** EC111, EC112 & (GB213 or ST 113), not available to students who have taken MA 252

**Professor:** Patrick Scholten, MOR 189, Ext. 2679

**Blocks:** 6

**Professor:** Dhaval Dave, AAC 195, Ext. 2268

**Blocks:** 12
It is hard today to miss yet another news item on international economic issues. Experts give views, pundits pontificate, editors editorialize and talk hosts, well, talk with great passion. But whom to believe? How to make sense of the conflicting views and opinions that are often colored by political lenses?

That is why you need this course. You will emerge with a set of tools in your virtual backpack that you can use anytime, anywhere to make sense of what you read and hear and to have an informed basis for your own opinions, irrespective of your political leanings.

While teaching you the theoretical foundations of international economics, you will understand the link between trade issues and politics, how trade can change international factor earnings, how commercial policies work and how to analyze the foreign exchange market. In the process, you will investigate many interesting issues for yourself such as why the world is running out of sand, how the U.S now finds itself in a difficult position as China is boasting of its rare earth production, how the effects of high tariffs to “punish” another country can rebound and hurt the country levying the tariffs, why we need not be afraid of countries paying low wages, why the U.S. had to suspend the gold standard and what are the different exchange rates systems in today’s international monetary system.

These questions are just illustrative of the rich range of issues that will be tackled. And by the end of the course, you will know exactly when someone is spinning you a story, and when they are making a cogent analysis. With these tools, you will always know how to do the analysis for yourself.

Business Related Elective
Prerequisites: EC111 & EC112

Professor: Swati Mukerjee, AAC 268, Ext. 3105
Block: 9
What are the effects of giving cash transfers to households? Does it increase household spending? Years of schooling? Their decision to work? Are there unintended consequences to abortion legislation? Do minimum wage increases cause unemployment? Do public employment schemes actually increase labor supply? Do they affect inequality? Aimed at those with a genuine interest in the application of economics to real-world situations, this course is designed to provide you with an in-depth knowledge of how to evaluate policies and apply them. We will use statistical software to analyze data and estimate causal effects with some of the main methodologies used in policy evaluation - randomization, matching, differences-in-differences, and regression-discontinuity. We will discuss the possibilities and limits of applying these evaluation tools, and we will study how these techniques have been applied to the study of various policies and around the world, including in education, health, and labor.

*Arts & Science Elective*

*Prerequisites: EC111 and (GB 213 or ST 113)*

Professor: Savannah Adkins, AAC 193, Ext. 2907  
Block: 5
Environmental economics is a particularly timely and complex subject. How do we analyze and understand the relationship between complex ecological systems and human economic behavior? We shall endeavor in this course to understand the assumptions and methodology that are used by different schools of economic thought in regards to the environment as well as how ecological systems interrelate with human behavior and each other. The first part of this course is devoted to understanding the complex relationship between human beings and their environment. We will then take a brief foray into Thomas Malthus’s work on population and update this “dismal science” as to modern assessments of population, population dynamics and sustainability.

Next, we shall master the application of neoclassical theory to the environment. We shall pay particular attention to price theory and the derived theories of externalities and market failure. Attention will be paid to the enabling assumptions, logic and structure of this theory and its policy implications. We will test this theory by applying it to real world environmental case studies in order to judge the relative “robustness” of the analysis. We shall then cover topics such as benefit-cost analysis, sustainability, and environmental policy. We will then suggest alternative modes of analysis and evaluate their relative strengths and weaknesses.

This class will focus on understanding theory and empirically testing theory through concrete applications and case studies. It is an absolute necessity that students treat the subject matter as complex and often contradictory and be prepared to think. This course also necessitates a substantial time commitment by the student, as there is a large amount of reading, and writing involved in this class.

The goal of the course is to broaden the students’ understanding of environmental issues and how economics can be used to address them. The material covered is fascinating, timely and relevant. Students will also come away better informed about the strengths and pitfalls of different economic approaches. Students will also be introduced to the seminal original literature of the field and the subsequent debates over the issues raised.

**Business Related Elective**

**Prerequisites:** EC 111 & EC 112

**Professor:** Bryan Snyder, AAC 274, Ext. 2446

**Block:** 7
Contemporary Economic Issues will cover current controversies—the state of the macro economy, fiscal policy and taxation, banking and finance, the social-welfare state, environmental protection, labor and unions, economic inequality, corporations, and the changing global economy. We will also cover in this class “Critical Thinking” in the areas of Logical Fallacies and Cognitive Biases. We shall cover issues in an up to the minute manner as they arise as well as reflect on recent issues and controversies. This is a very active class as to reading, in-class presentations and discussion.

Arts & Science Elective
Prerequisites: EC111 & EC112

Professor: Bryan Snyder, AAC 274, Ext. 2446
Block: 3
This course introduces the complementary fields of Experimental Economics and Behavioral Economics. Behavioral Economics adds insights from Psychology to the economic model of behavior. In so doing, it looks beyond the standard neoclassical model of how people and firms make decisions, examining ways in which behavior is not consistent with strict rational self-interested decision-making. This includes “irrational” behavior such as over-valuing losses and failing to exert the effort needed to find the exact choice that maximizes personal payoffs. It also includes social preferences, where people care about the payoffs of others and not just themselves out of concern for fairness or altruism. Frequently, we will review how standard economic theory predicts how people will behave in a given situation and compare that to how people actually behave.

Diversity Intensive Related Elective
Prerequisites: EC111 & EC112

Professor: Jeffrey Livingston, AAC 171, Ext. 2538
Block: 11
EC 375
THE ECONOMICS OF SPORT

Course Description:
This course allows students to develop a detailed economic understanding of the professional and amateur sports industry. Relying on economic principles and well-developed economic models, the course material analyzes a variety of current-day issues facing the sporting industry. Topics include: competitive balance issues, such as, revenue sharing, salary caps, and luxury taxes; government’s role in the sports industry, and; player issues, such as, racial and wage discrimination, free agency, and superstar effects.

Course Goals:
There are four major goals of this course. Each student should achieve the following:
- A better understanding of how the principles of economics apply to the sporting industry.
- An understanding of the overall market structure each major sport operates in.
- An ability to apply economic theory and models to analyze industrial organization, public finance, and labor market issues within the sports industry.
- A strong foundation to understand how economic tools can assist managers with their decision-making process for a variety of current-day, real world applications facing the sports industry.

Course Learning Objectives:
After completing this course a student should have acquired the following:

Knowledge-Demonstration: An ability to critically analyze and discuss from a theoretical perspective a variety of current-day economic issues facing the sports industry. These topics include: market structure issues, ticket pricing strategies, stadium financing issues, and labor market issues.

Skills-Demonstration: An ability to read and better comprehend a variety of published economic information about the sports industry. This includes popular press articles from the major newspapers and magazines, as well as, academic research articles from a variety of scholarly economic journals.

Perspective-Demonstration: An ability to look at the sports industry from a more complete perspective. Initially most students see the sports industry from only a fan’s perspective. After completing this course, each student should see the sports industry for what it is- A Business!

Business Related Elective
Prerequisites: EC111, EC112 & (GB210 or GB213)

Professor: Scott Callan, MOR 389, Ext. 2024
Block: 4
Game theory is a set of tools used to study strategic interdependence, which means that the payoff (or utility) one agent depends on both action the agent takes and the actions of other agents. There are many everyday-life examples that are modeled using game theory. In business and economics, game theory helps to predict when to enter or exit a market, how to price a product or service, what quantity to produce, how to bid in an auction, bargaining between firms and unions, among other problems. Game theory can also be applied to sports. Should Serena Williams (a very successful tennis player) hit a forehand cross court or down the line? When Cristiano Ronaldo (professional soccer player) is up for a penalty kick, should he kick the ball left, right or down the middle?

This course explores non-cooperative and cooperative game theory with perfect information and imperfect information. The tools are applied to many everyday life and economics/business examples.

**Arts & Science Elective**

**Prerequisites:** Pre-Req: EC111; EC112; MA126; MA139 and may not be taken student who have completed or currently taking MA309

**Professor:** Becca Daniels, AAC 195, Ext. 2539

**Block:** 12
This course covers the main mathematical tools used in economics, finance and quantitative business decision making. The main aspect of the course will be focused on teaching and solving optimization problems faced in modern economics and business studies. Topics include constrained and unconstrained optimization, contemporary and practical techniques of calculus and probability in economic evaluation and business decision making. All topics in this course are taught using currently available, efficient tools and packages of Economics. This course is particularly recommended for students intending to study advanced economics, finance theory, and graduate business courses.

**Arts & Science Elective**

*Prerequisites: MA 131, and (Pre-or Co-Req, EC224 or EC225)*

**Professor:** Patrick Scholten, MOR 189, Ext. 2679

**Block:** 8
This capstone course is designed to introduce you to the fundamentals of business economic research. Through a series of examples of economic research, you will learn how to apply economic reasoning to public policy evaluation and business decisions in a variety of microeconomic settings. The course will teach you a variety of statistical models that economists use.

Specific course topics include: demand analysis and elasticity measurement; evaluation of the impact of public policies; strategic product pricing initiatives; cost, production and profit measurement and analysis; and the impact of incentives on behavior in a variety of interesting contexts.

As the capstone course, students are required to prepare an independent, comprehensive research project. This project will introduce students to the entire economics research process: identifying an interesting, focused research question that can feasibly be answered, reviewing theory that is closely related to the question and identifying testable implications of the theory, finding data needed to answer the question, and employing the proper econometric techniques needed to confront any challenges the nature of the data may present.

**Business Related Elective** - **COMMUNICATION INTENSIVE**

**Prerequisites:** EC224 & EC 282 (ME or EF major or IP) & (CC7 or WP)

**Professor:** Dhaval Dave, AAC 195, Ext. 2268

**Block:** 10
Have you ever wondered:

Why do financial markets pay so much attention to the Fed? How low can interest rates go? How will the euro affect the economies of Western Europe? What does Monetary Policy do? Find the answer to these and many other questions in EC391.

EC 441
MONETARY ECONOMICS

An understanding of monetary policy is essential for anyone working in the financial markets because monetary policy has an important impact on inflation, interest rates, unemployment, and output. This has become even more evident with the recent financial and credit market crises.

This course will take an especially close look at how monetary policy impacts the major financial markets, particularly the bond market. After reviewing the link between monetary policy and the macro-economy we will consider monetary policy in some detail. The course will focus on some of the major issues faced by U.S. monetary policymakers as we discuss the tools, targets, and goals of Federal Reserve policy and consider the current debates over the direction of U.S. monetary policy.

In the final section of the course, we will shift our analysis to the international arena. This will include an evaluation of the impact of monetary policy on both spot and forward exchange rates. We will also examine the relative merits of fixed and flexible exchange rate systems. This analysis will then be applied to various real world cases such as the EMU, currency boards, and exchange rate crises.

Business Related Elective  -  COMMUNICATION INTENSIVE

Prerequisites:  FI305, FI 306, EC225 & (CC7 or WP)

Note:  May not be taken by students who have completed EC211

Professor:  Andrea Civelli, AAC TBD, Ext. TBD
Blocks:  11 & 6
EC 454
College Fed Challenge

Do you have an interest in monetary policy? Do you wonder how and why the Federal Reserve implements the policies it does? The recent and rapid deterioration in economic conditions has placed a renewed and sometimes critical perspective on the role of the Federal Reserve. By taking this course, you too can be a “participant” in the monetary policy process!

EC454 will expose selected students to a rigorous exploration of advanced macroeconomic and monetary economics concepts with a special emphasis on the conduct of monetary policy by the Federal Reserve. During the semester, students will read chosen articles, write policy briefings and make policy-oriented presentations. All aspects of the course will emphasize teamwork. The culminating experience of the course will be participation in the 2024 College Fed Challenge (CFC) in October. The CFC is a prestigious monetary policy debate competition sponsored by the Federal Reserve System. Teams from area colleges make monetary policy presentations to a panel of judges made up of economists from the Boston Fed. The winner of the competition at the Boston Fed goes on to compete at the national championships at the Federal Reserve headquarters in Washington, DC.

Approximately 8 to 10 students will be accepted to enroll in EC454 and participate in the College Fed Challenge through a competitive application process prior to registration. The course is three credits, and can be used as an EC elective, business-related elective, or unrestricted elective towards degree requirements.

Business Related Elective

Prerequisites: EC111 & EC112 & Instructor’s permission required

Professor: Dave Gulley, AAC 189, Ext. 2355

Blocks: 8 & 11