This course is an introduction to non-competitive markets using economic models and game theory.

Rationale or Justification for change:

***For General Education or Cultural Diversity Courses Only***

<table>
<thead>
<tr>
<th>GE Category #</th>
<th>GE Category Name (Maximum of 3 Categories)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
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<tr>
<td>N/A</td>
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<tr>
<td>N/A</td>
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</tbody>
</table>

*For Writing Intensive Courses, attach a description of the kind and quantity of writing.

*For Upper Division Courses, include a description of the respects in which it is broad and general rather than narrow and specific, and so suitable as GE.

Attach paper copies of the following:
- a. Syllabus or course outline.
- b. Course's student learning outcomes associated with each GE competency or CD designation.
- c. List of strategies to be used to assess students' achievement of each GE competency or CD designation.

***For New Courses***

<table>
<thead>
<tr>
<th>Instructional Type: Lecture</th>
<th>Course will be offered:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade</td>
<td>P/N</td>
</tr>
<tr>
<td>Econ 201, Econ 202, and Econ 207</td>
<td>Fall Semester</td>
</tr>
</tbody>
</table>

- Course content or title is similar to courses in other departments. (Attach copy of letter of agreement with other program(s) contacted. Indicate the nature of the discussions and/or resolution of differences or potential conflicts.)

Attach paper copies of the following:
- a. Syllabus or course outline.
- b. Course's student learning outcomes.
- c. A list of resources required to offer and support this course.
- d. A description of how teaching this course will affect department staffing.
- e. If 400/500 level course, an explanation of added expectations of graduate students.
### For Program Proposals

- a. Student learning outcomes for the program.
- b. Minutes from department and college curriculum meetings in which action was taken on this proposal.
- d. List of program requirements for New programs, or a list of Current and Proposed program requirements for Redesigned programs.
- e. A list of resources required to offer and support this program.
- f. A description of how offering this program will affect department staffing.
- g. A list of additional library holdings required for this program.

Please include rationale for any proposed changes in number of program credits.

### For Programs Requiring MnSCU Approval

If any of the following changes are proposed, please fill out and attach MnSCU Program Approval Forms, which are available on the Academic Affairs Web site: [http://www.mnsu.edu/acadaff/Curriculum/currformsprocess.html](http://www.mnsu.edu/acadaff/Curriculum/currformsprocess.html)

1. **Creation** of an entirely new program.
2. **Redesign** of existing programs, which takes any of the following forms:
   - Addition or deletion of a program option. Options are part of program design in which 30-50% of the courses are required as part of a common core for all students, and which offers curriculum alternatives greater than 90% of the total number of credits in the major. Options are appropriate to baccalaureate or masters programs.
   - Addition or deletion of a program emphasis. Emphases are part of program design in which more than 50% of the courses are required as part of a common core for all students, and which offers curriculum alternatives with a minimum of nine credits. Emphases are appropriate to associate and baccalaureate programs.
   - Change in program name.
   - Change in program CIP #.
   - Change in TOTAL program credits.
   - Change in degree award. For example, changing a B.A. to B.S.
   - Creation of a new degree award in a related academic area. Examples include creation of a certificate program from an existing degree program, or a new degree program from an existing degree program (e.g., Art History BA from Art BA.)
3. **Relocation** of an existing program. This is a proposal to move an existing program from one site to be exclusively offered at another site, and requires closing the program offered at the original site. For example, a program offered both on-campus and through extended campus is to be offered only at the extended campus site.
4. **Replication** of an existing program. This is a proposal to offer an existing program at a new site, which may be an existing MnSCU-approved site, or another campus of the same institution. Replicated programs are offered at both the original site and the new location.
5. **Suspension** or reinstatement of a program. This proposal suspends admission of students into an existing program, and is good for three years. Reinstatement proposals request the reopening of student admissions into a given program.
6. **Closure** of a program. This proposal requests closure of an existing program and its from an institution’s official inventory of academic programs. Unless a department seeks to re-open a suspended program, it should be closed within three years of suspension.
**Signature Page**

**Department**
- Recommended (Category/ies)
- Not Recommended (Category/ies)

Department Chair: [Signature] 10/16/06

Comments:
- The course is widely offered in other departments across the country. We now have faculty expertise to teach it.

**College Curriculum Committee**
- Recommended (Category/ies)
- Not Recommended (Category/ies)

Committee Chair: [Signature] 11/4/06

Comments:

**College Dean**
- Recommended (Category/ies)
- Not Recommended (Category/ies)

Dean: [Signature] 11/6/06

Comments:

**General Education Subcommittee**
- Recommended (Category/ies)
- Not Recommended (Category/ies)

General Education Subcommittee Chair: [Signature] Date

Comments:

**Undergraduate Curriculum and Academic Policy Committee**
- Recommended (Category/ies)
- Not Recommended (Category/ies)

UCAP Faculty Chair: [Signature] 3/1/07

Comments:

**Faculty Association Graduate Committee**
- Recommended
- Not Recommended

Faculty Association Graduate Chair: Date

Comments:

**Graduate Dean**
- Recommended
- Not Recommended

Graduate Dean: Date

Comments:

**Academic Affairs Council**
- Recommended (Category/ies)
- Not Recommended (Category/ies)

Assistant Vice President: [Signature] Date

Comments:

**Senior Vice President and Vice President for Academic Affairs**
- Approved (Category/ies)
- Not Approved (Category/ies)

Sr. Vice President / Vice Pres. Academic Affairs: Date

Comments:

Revised September 2002
Economics 372
Industrial Organization/Business Strategy
Fall 2007
Armstrong 213
Time: TBA

Instructor: Dr. Bill Brennan
Office Hours: TBA
Also by appointment
Office: Morris Hall 122
Phone: 389 - 5326
Email: william.brennan@mnsu.edu

Course Objective:
This course has three objectives. First this course will introduce students to the world of Industrial Organization. Students will learn about some of the different models in Industrial Organization including the Bertrand and Cournot pricing models, product differentiation, information, game theory both on a static and dynamic level, price discrimination, and price dispersion to name a few. Second, students will be challenged to think analytically. This will be through quizzes and tests and through the class project at the end of the semester. Finally, the class will be a starting point in research. Students will be asked to select an industry describe the market competition of firms using some of the tools learned inside of class.

Required Texts and Subscriptions:

2*. Fall Subscription to the Wall Street Journal.

*The Wall Street Journal is an excellent source of current economics events. We will refer to articles printed in the paper dealing with market structure, antitrust, and industry analysis.

There will also be additional handouts passed out in class. Students are encouraged to keep track of current events relating to subject matter in the class in local papers such as the Free Press, Star Tribune, and the New York Times.

Lectures:
Class attendance is required. Some material presented in class may differ from the text readings and find its way onto in class quizzes and tests. Missing lectures may also directly affect your course grade such as actual quizzes or final student project. Any modifications of the syllabus will be made in class.
**Homework/Quizzes:**
End of chapter questions will be assigned. The problems assigned are listed near the end of the syllabus. These questions are a good way to synthesize the course material beyond a basic understanding of definitions and terms. Students are encouraged to work together on homework & studying material from the text/lectures. However, each student is required to write up his or her answers. I can answer questions about the homework during office hours.

I will make unannounced collections of homework in class. Sometimes these announcements will cover more than one chapter – so be sure that you bring your uncollected homework to class. Keep all of your completed homework assignments in one easy to find place.

These collections help ensure that a good faith attempt is being made on the homework. Students not having the homework questions at the time of collection will not receive credit. If you know that you will be missing class ahead of time, you can give your homework to a friend to pass in for you.

I will occasionally give in class “homework” exercises (quizzes) that can also be collected for a grade. Absence from a collected quiz will result in a grade of a zero.

I will allow you to drop your lowest homework/quiz grade at the end of the semester.

**Semester Paper and Presentation:**
Each student will pick an industry consistent with imperfect competition during the semester and write a paper and give a presentation to the class on the features of the industry. Students will describe the history of the industry and use tools from class to describe the relevant details of the industry from an industrial organization perspective. Two papers will be turned in: a rough draft that will have comments by the professor and a final paper – that addresses comments from class and from the professor. In past classes using this method of evaluation, both the students and faculty members have felt that there has been significant learning that takes place.

**Exams:**
There will be one 75 minute exams worth 100 points each during the semester. The midterm exam will consist of multiple choice and short answer questions.

**Midterm:**
Thursday November 1, 2007
Armstrong 213

No make-up midterm exams will be given. Be sure that you have made arrangements to be at the midterm.

I split the multiple choice questions into two categories: questions that are starred and questions that are not starred. Starred questions are the easier questions that test the basic concepts whereas the nonstarred multiple choice questions are the more challenging questions pushing students to apply the material more abstractly.
I am testing this semester of taking points off for incorrect answers. I will describe this more in detail as the semester progresses.

**Grading:**

Your grade for the semester will be calculated from the following:

<table>
<thead>
<tr>
<th></th>
<th>Points</th>
</tr>
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<tbody>
<tr>
<td>Midterm</td>
<td>100</td>
</tr>
<tr>
<td>HW/Quizzes</td>
<td>100</td>
</tr>
<tr>
<td>Final Paper</td>
<td>100</td>
</tr>
<tr>
<td>Final Presentation</td>
<td>100</td>
</tr>
<tr>
<td><strong>Total Possible Points:</strong></td>
<td><strong>400</strong></td>
</tr>
</tbody>
</table>

Semester Average = (Total Points You Accumulated)/(Total Possible Points)

If your semester average meets the following criterion, then you will be guaranteed the following letter grades:

- $\geq 90\%$ \quad A
- $\geq 80\%$ \quad B
- $\geq 70\%$ \quad C
- $\geq 60\%$ \quad D

The scale listed here should not be confused with those from other courses that set similar grade levels as actual requirements. If exam grades fall below from the above scale, then I will make the decision about letter grades after the final. This scale is only meant to constrain myself from pushing grade requirements higher than these levels. Past class averages have typically been lower than the scale students have grown accustomed to in high school and other college classes. I believe that challenging students is more important than making sure that students are receiving high numeric grades.

**Academic Honesty:**

Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including failure in the class and possible dismissal from the University. DO NOT put yourself in a compromising situation! Since dishonesty harms the individual, fellow students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. I will respond on instances that students appear to be cheating. Be sure on exam and quiz days that you have only a pencil and non-graphing calculator. Books, backpacks, graphing calculators, notebook computers, cell phones (and even touching a cell phone during the exam is considered cheating), caps, and other similar items are prohibited during exam time. Make plans not to bring these items into the classroom on days with examinations.

**Cell phones:**

Make arrangements to have your cell phone in SILENT mode during class. Cell phones are distracting to other students and to me. Make sure that other people do not contact you during class time. Use of a cell phone during class or going outside to take a call is extremely rude and will not be tolerated. Cell phones are strictly prohibited during exam-time and use of one during an exam will result in failure in the course.
Disabilities:
The University of Minnesota Mankato prodives students with disabilities reasonable accommodation to participate in educational programs, activities, or services. Students with disabilities requiring accommodation to participate in class activities or meet course requirements should first register with the Office of Disability Services, located in 0132 Memorial Library, telephone 389-2825, TDD 711 and then contact me as soon as possible.

The Bottom Line:
I hope to give you a solid exposure to the world of industrial organization. There are many exciting areas that I will introduce you to in our short semester. I believe that once you leave this course, you should have a good foundation to continue with other courses in economics and business.

You cannot expect to do well in this class if you leave a large chunk of cramming for a couple of days before an exam. Since so much of this material builds upon itself, getting behind will create a very difficult situation for you. Make the commitment now to apply yourself to this class rather than waiting for your first crisis. A good rule of thumb is that for each hour in class, you are expected to spend two hours outside class. Since this is a three hour class, you are expected to spend six hours a week outside of class preparing for class.

You do have a lot control how you perform in class. Taking control early in the semester will give you more options than waiting until the last month of the semester. Consider working in groups with other classmates. Take the time to introduce yourself to your neighbor before class (you never know what kind of great things your current classmates may be doing in the future.) If past analytical classes have given you trouble, consider working with the Center for Academic Excellence in the basement of the library or hiring a private tutor.

Unfortunately, there are situations where students may have to drop this class due to poor performance. It is important to identify these situations early. Poor preparation methods can explain some low scores. These problems can be addressed if caught in time. However, some students have procrastinated on addressing these problems and then a bad situation becomes worse. Scores below a C on early quizzes are a flag that this course may not be a right match at this time. The drop date for the class is after the midterm exam.
Econ 372 Course Student Learning Outcomes:

1. Students will be introduced to the world of Industrial Organization. This will include models involving static and dynamic game theory as well as learning Bertrand and Cournot pricing models, product differentiation, information, price discrimination, price dispersion, to name a few.

2. Upon completion of the Econ 372 course, the student will be able to analyze a noncompetitive industry using tools learned inside class.

3. The students will be able to present knowledge to other classmates and to the professor with appropriate style, awareness of the appropriate issues, creativity, and technical expertise.

4. The students will acquire a broad range of foundational knowledge and appreciation in market structure of large firms and antitrust.

List of Resources Required to Offer and Support This Course:

1. Library Services
3. Semester Subscription to the Wall Street Journal. (provided by the Business School)

Department Staffing Description:

Industrial Organization will be a class that will be offered as an elective to any student who has successfully completed Introduction to Microeconomics and Macroeconomics, Intermediate Microeconomics, and Statistics. The course could be a requirement in the Public Interest Emphasis in the economics major. The class will be offered at least in one fall/spring semester of each academic year. This will necessitate 1 departmental class (such as Econ 207 – Business Statistics or Econ 202 – Principles of Microeconomics) be taught by another member of the faculty. The economics department has 12 full-time faculty members now and plan to hire one more faculty member in the 2006-7 academic year who might be teaching principles classes so staffing this course will not be a problem.
Economics Curriculum Committee Meeting 9A 9/29/06 AH 110:
Revised Notes: October 9, 2006
Here: Bill Brennan, Mike Spencer, Phil Miller, Richard Schiming, Ken Park, Shawn Osell,
Atrayee Gosh Roy, Khan Saleheen

There: Vinnie Choe, Donald Renner

1) Add Ken Park to Committee
   Motion: Phil/Mike to add Ken to Committee. Passes unanimously.

Richard asks that we talk about the direction of the program. Some discussion on direction
of the program. Richard mentioned that we want to think about who we hire next year and
not do things on a haphazard basis on adding and deleting courses. Phil said that IO course is
standard in other programs across country. Ken said that we want to have availability of
upper level courses; we want some market power to attract majors. It was mentioned that
Ken has the blessing of the Finance Department for his class. Mike said that jobs economics
majors take need quantitative skills. Bill said that we want to advertise what we are teaching.
Some pressure to get the new courses approved for the fall deadline in the catalog.
Committee agrees to have further motions approved by email.

2) Add Bill Brennan’s Industrial Organization to Economics Course Catalog for Fall 2007

Richard said that there should be more 300 classes. Bill said that he doesn’t have any
problem teaching class at 300 level. Intermediate micro is dropped as a requirement
for the class. Richard said course requirement on 307 needs to be changed to 207.
Richard leaves for 10A class.

Phil/Mike Motion: Add Bill’s IO class (Eco 372) to fall catalog 2007 with
prerequisites for Class: Eco 207 Statistics, Eco 202 Intro Micro, and Eco 201 Intro
Macro. Committee will vote by email. Motion passes by email 10 – 0 – 0.

3) Add Ken Park’s Practical Econometrics of Financial Markets Class to Economics
   Course Catalog for Fall 2007

Motion: Phil/Mike: Keep class as is on 400 level and keep prerequisites for class at
econometrics, and statistics. Committee will vote by email.
Discussion: Class could attract some graduate students and finance majors. Dick
asked in his email will this course have math econ (new 301) as a prerequisite? Dick
asked if we could we remove the word "Practical" from the course name. Dick asked
why the course has prerequisites of 355 and 356? Ken said by email that we should
have 207 only. Dick asks shouldn't we require EC 305 Money and Banking and
Finance 362 as well? Dick says that the more prerequisites, the lower the potential
enrollment.

Motion Passes by email: 8-1-1.

4) Math for Economists

Current class is Eco 410 Quantitative Analysis in Economics. Consensus is to drop
class and add 300 level class. Ken said we should advertise to business department
on class. Some discussion on what to call the class. Some discussion on text: Chiang
might be too hard for students. Mike said he teach class one semester. Bill said that he could teach class in other semester. Dick said he would like to discuss keeping EC 445 in the list of required courses. Dick asked should this course be a prerequisite for EC 355 and EC 356 or for all our upper level courses or for any upper-level courses. Dick said that unless we require it for upper-level courses, I think a number of students will postpone taking this course until late in their academic career when its benefits will be minimal in their remaining courses.

Motion: Mike/Phil: Change course 410 to Eco 301 in Fall Semester 2007 Catalog. Replace Eco 445 as requirement for major. Change title to "Quantitative Methods in Economics". Under Course Description second sentence should read: "Topics include optimization methods, comparative statics, and linear algebra." Prerequisites include 201, 202, and 207 only. Committee will vote by email. Motion Passes by email 8 - 1 - 1.

5) Cleaning up course catalog:

Don said by email we will be hiring this year, might the new faculty member want to teach one of those courses? Don also said dropping a course is usually easier than adding one. Don also raised the point by email that changing our major by dropping a required course changes the number of hours in our major. Don advised that probably the economics department should have a certain number of hours and not deviate too far, from the college norm.

Eco 404 Economics of Human Resources
Motion: Mike/Phil to drop class from catalog. Committee will vote by email. Email vote is 9 - 1 - 0 to accept motion.

Eco 425: Social Control of Economic Activity
Motion: Phil/Mike to drop class from catalog. Committee will vote by email. Email vote is 9-1-0 to accept motion.

Eco 445: Survey of Economic Ideas
Motion: Mike/Phil to keep class in catalog but drop requirement for major. Committee will vote by email. Email vote is 8-2-0 to accept motion.

Don asked would we want to replace 445 in our major with another course? Don also said if we don't hire someone to teach it, do we drop it totally. Dick said the name should be changed to "The History of Economic Thought", which "is what is called everywhere else in the civilized world."

Eco 471 Economics, Ethics, and Society
Motion: Mike/Phil to drop class from catalog. Committee will vote by email. Email vote is 9 - 1 - 0 to accept motion.

Committee Agrees to table items 7 How do we increase majors and 8 Other items to another meeting. Business foundations requirement for BS (Item 9) also to be included in next meeting. Discussion to make Applied Microeconomics Concentration to include Labor, Sports Econ, Natural Resources, IO.

7) How do we increase majors?
   - Advertise in 201/2 Classes?
- Fliers?
- Brochures?
- Target individual students?
- Undergraduate economics advertising meeting with cake and cookies?
- Alumni survey?

8) Other Items?
- Program Assessment Report (may need another meeting)
- Master's Program (may need another meeting)

Meeting adjourned 10:30A.
Economics Curriculum Committee Meeting 12:30P 10/12/06:

Here: Bill Brennan, Mike Spencer, Phil Miller, Richard Schiming, Ken Park, Shawn Osell, Atrayee Gosh Roy, Khan Saleen, Donald Renner

There: Vinnie Choe (had class)

1) Math for Economics prerequisite for Eco 355 and Eco 356. Dick raised the question of numbers in the department for quality of students. Should class be counted for everyone only BS students. After discussion all agree on class being for all majors. Mike suggested book to be used is *Math for Economists and Business Students*. Dick: do we have course for 355 and 356? Khan said some of his intermediate students have trouble with symbols. Mike said that course is even good for econometrics in reading slopes. Students should know what a partial derivative is. Phil said this course would be good for developing thinkers. Dick said course needs economic applications. Dick asked about a course proposal. Bill said he'd write one up for the meeting tomorrow. Atrayee said that Solow Models show up in International Trade. Dick wants Math 112 or equivalent added as a prerequisite. All agree. Mike raised the question of those with a double major in Math/Econ. Dick said that they can go to the chair to waive permission for course.

Motion: Dick/Shawn (who beats Phil by a hair): Have Prerequisites for Eco 301 be Eco 201, Eco 202, Eco 207, and Math 112 or the equivalent. Passes 9 – 0 – 0.

Motion: Dick/ Mike: Have Eco 301 as an additional prerequisite for Eco 355 and Eco 356. Passes 9 – 0 – 0.

2) Business Foundations Requirement for B.S. in Economics.

   Phil: Drop business courses as a requirement for B.S. and pick up a minor in business. Some of his students have complained that the business classes requirements hurt their desire for a BS in Economics. Dick: this has been done in the past for a marketing angle. Phil: there is a problem of students getting into business classes. Phil: minor in business more marketable than current system; also minors in business improve status of getting into classes. Some discussion on what the difference between the BS and BA in economics. Dick: BA requires language requirement. Time constraint of meeting becoming important. Committee agrees to table issue for later meeting; proposal will not meet catalog.

2a) Eco 445

   Motion: Dick/Phil Change title in Eco 445 to History of Economic Thought. Passes Unanimous 9 – 0 -0.

   Committee agrees to table items 3-5 with small discussion on item 4.

   3) Revising course concentrations in economics.

   4) How do we increase majors?
      - Advertise in 201/2 Classes?
      - Fliers?
      - Brochures?
      - Target individual students?

   Dick said that this has been effective – has seen students say that they were invited to become economics major in senior seminar class. Said that Phil’s name
has come up a couple of times for students saying who influenced them to become an economics major.

- Undergraduate economics advertising meeting with cake and cookies?
- Alumni survey?

5) Other Items?
   a. Program Assessment Report (may need another meeting)
   b. Master's Program (may need another meeting)

Meeting Ended at 1:30P.
Department of Economics
October 13, 2006
12:30 p.m.
MH 215
Minutes


#1 The following decisions were made:

- Dick Schiming proposed and Atryee Ghosh Roy seconded the motion that the following courses be dropped from the catalog: Economics 4/504, Economics of Human Resources; Economics 4/525, Social Control of Economic Activity; and Econ. 4/571, Economics, Ethics, and Society. The motion was carried unanimously.

- Dick Schiming proposed and Shawn Osell seconded the motion that Econ. 4/545, Survey of Economic Ideas, be renamed Econ. 4/545, History of Economic Thought. The motion was carried unanimously.

- Dick Schiming proposed and William Brennan seconded the motion that the renamed Econ. 4/545, History of Economic thought, be dropped as a requirement for the BA & BS degree in Economics. The motion was carried unanimously.

- Dick Schiming proposed and Michael Spencer seconded the motion that a new course, Econ. 372(3): Industrial Organization be added to the catalog. The motion was carried unanimously.

- Dick Schiming proposed and Michael Spencer seconded the motion that new course, Econ. 4/563(3): Applied Econometrics for Financial Markets, be added to the catalog. The motion was carried unanimously.

- Dick Schiming proposed and Michael Spencer seconded the motion that a new course, Econ. 301(3): Quantitative methods for Economics, be introduced as a required course for BA & BS degree. The motion was carried unanimously.

- Dick Schiming proposed and Michael Spencer seconded that motion that Econ. 301, Quantitative Methods be required as a prerequisite for Econ. 355 and Econ. 356. The motion was carried unanimously.

- Dick Schiming proposed and William Brennan seconded the motion that Econ. 4/510, Quantitative Analysis in Economics, be dropped from the catalog. The motion was carried unanimously.
#2. The matter of scheduling more of our upper level courses in the prime time was taken up for discussion. No decisions were made.

#3 The task of updating the Major Facts Sheets was assigned to the Curriculum Committee. They will give their feedback to the department in three weeks or sooner.