Economics (ECO)

**Note:** ECO 201 and ECO 202 are a course sequence of basic economic principles and their applications aimed to develop an analytic framework for interpreting economic events, trends, institutions, and public policies. The two semesters are conceived as a year course; the recommended sequence is ECO 201, ECO 202.

**Advanced Economic Courses:** prerequisites for advanced courses are ECO 201 and ECO 202 unless otherwise stated. For ECO 311, ECO 315, and ECO 317 a grade of at least a “C” in all prerequisite courses or permission of the instructor is required.

**ECO 131. Economic Perspectives on Inequality in America. (3) (MPF)**
Introduction to economic perspectives on inequality in the United States, particularly the relationship between inequality and population diversity. The role of the market and of public policy in generating, transmitting, and ameliorating inequality. Dimensions of inequality include earning inequality, poverty, and unequal access to education and health care. Dimensions of diversity include race, ethnicity, gender, age, socioeconomic class, immigration status, and sexual orientation. IC, IIC. CAS-C.

**ECO 177. Independent Studies. (0-5)**

**ECO 201. Principles of Microeconomics. (3) (MPF, MPT)**
Nature and scope of microeconomics, including the role of the market in resource allocation, the role of competition, market forces, the forces governing the distribution of income, and the role of foreign trade in economic welfare. IIC. CAS-C.

**ECO 202. Principles of Macroeconomics. (3) (MPF, MPT)**
Analysis of the determinants of output, prices, employment, and interest rates. Includes long run behavior of the economy, business cycle theory, monetary system, stabilization policy, and international finance. IIC. CAS-C.

**ECO 277. Independent Studies. (0-5)**

**ECO 301. Money and Banking. (3)**
Nature of money and its role in the functioning of a modern monetary economy; the institutional framework of the U.S. monetary system; and aims, potentialities, and limitations of monetary policy. Prerequisites: ECO 201 and ECO 202.

**ECO 311. Examining Economic Data and Models. (3)**
Introduction to the use of linear regression techniques for examining economic data and evaluating economic models. Topics may include hypothesis testing, dummy variables, forecasting, and limited dependent variable models. Sources of economic data are explored. Applications to topics in economics are stressed. CAS-C, CAS-Q, CAS-QL, CAS-W. Prerequisites: earn a grade of at least a C in ECO 201, ECO 202, and ISA 125 or STA 125 or STA 261 or STA 301 or STA 368, and MTH 151; or permission of the instructor.

**ECO 315. Intermediate Microeconomic Theory. (3) (MPT)**
Analysis of the theory of consumer behavior and theory of the firm. Emphasis on logic of rational choice, model building, and economic efficiency. Other topics may include general equilibrium analysis, decision making under uncertainty, and applications of game theory in understanding strategic behavior in imperfect competition. CAS-C, CAS-W. Prerequisites: earn a grade of at least a C in ECO 201, and 202, and MTH 151 or 153; or permission of the instructor.

**ECO 317. Intermediate Macroeconomic Theory. (3) (MPT)**
National income, as a measure of economic activity, including examination of theories of consumption and investment spending, monetary demand and supply, and implications of alternative models for level and stability of output; employment and prices, and economic growth. CAS-C, CAS-W. Prerequisites: earn a grade of at least a C in ECO 201, 202, and MTH 151 or 153; or permission of instructor.

**ECO 320. Special Topics in Economics. (2-3; maximum 9)**
Examination of special topics in theoretical or applied economics not treated in the existing economics curriculum. Specific topics and hours to be determined by instructor.

**ECO 321. American Industries and Issues. (3) (MPT)**
The course examines major American industries, their history, and the economic and public policy issues they pose. Prerequisites: ECO 201 and ECO 202.

**ECO 325. Economic Analysis of Law. (3) (MPT)**
Survey of the use of microeconomics in the analysis of law by looking at selected issues in law and economics such as property rights, contracts, torts, crime, enforcement, litigation, and precedents. Emphasis on use of microeconomic analysis to understand implications of existing and proposed legal mechanisms. Prerequisites: ECO 201 and ECO 202.

**ECO 331. Public Sector Economics. (3) (MPT)**
Discussion of the rationale for government expenditures and taxation and how they affect resource allocation, efficiency, and equity in the distribution of income. Other topics may include the role of voters, special interests and government bureaucracy in determining government policy, other current tax and expenditure issues. Prerequisites: ECO 201 and ECO 202.

**ECO 332. Health Economics. (3) (MPT)**
Investigation of the markets for health care and related sectors of the economy with attention to institutions and data for the U.S. health care sector. Emphasizes the presence of moral hazard and asymmetric information in various health care markets. Topics may include proposals for reform, malpractice, drug regulation, Medicare and Medicaid, problems of access to care for the uninsured, and cross country comparisons. Prerequisite: ECO 201.

**ECO 340. Internship. (0-20)**
Available to Farmer School of Business (FSB) majors and minors. Available for 0 credit hour during spring, summer and fall terms. Available for 1 credit hour during summer terms only. For one hour of credit, student must secure a sponsoring FSB faculty member within his/her major or minor to supervise the internship and accompanying required internship reflection paper. ECO 340 is not available during winter term. Students are to work through their respective academic departments to enroll in the course. Credit/no credit only. Note: FSB students may earn a maximum 2 credit hours toward graduation for BLS/BUS/ECO/ESP/FIN/ISA/MGT/MKT 340. Prerequisite: 55 earned hours and permission of department.

**ECO 342. Comparative Economic Systems. (3) (MPT)**
Investigation into theoretical underpinnings of the “pure” systems of competitive capitalism, market socialism, and command socialism, with this analysis forming the background against which to assess the “real world” functioning of these systems of economic organization. Prerequisites: ECO 201 and ECO 202.
ECONOMICS (ECO)

ECO 344. International Economic Relations. (3) (MPT)
Comparative advantage as basis for gains from specialization and trade examined in some detail. Supply and demand analysis used to study the effects of barriers to trade (tariffs, quotas, etc.). Study of monetary aspects of international economic relations, including: alternative forms of international monetary organization, balance of payments, exchange rates, and mechanisms of balance of payments adjustment.
Prerequisites: ECO 201 and ECO 202.

ECO 347. Economic Development. (3) (MPT)
Analysis of current problems of developing countries in Asia, Africa, and Latin America. Emphasis on the role of economic theory in devising policies to achieve improvements in the level and distribution of economic welfare in these countries.
Prerequisites: ECO 201 and ECO 202.

ECO 356. Poverty and Income Distribution. (3) (MPT)
Application of economic analysis to poverty, income inequality, and factor shares. Discussion of determinants of earnings, including education, ability, and discrimination. Analysis of efficiency and costs of programs to reduce poverty, such as minimum wages, cash transfers, and in-kind transfers. IC. CASC.
Prerequisites: ECO 201 and ECO 202.

ECO 361. Labor Economics. (3) (MPT)
Survey of the field of labor with emphasis on supply and derived demand for labor. Includes analysis of labor force participation, hours of work, wage determination and market structure, trade unions, and an examination of how government programs influence the labor market (which may include social transfer programs, social security and unemployment insurance). Other labor market issues that may be considered include discrimination, the structure of compensation and the consequences of various labor laws.
Prerequisite: ECO 201.

ECO 373. Economic Growth. (3)
Investigates the sources of economic growth within a country and the factors that affect relative growth across countries. The course addresses issues of income convergence and the role of policy in determining the long-run rate of growth.
Prerequisites: ECO 201 and ECO 202.

ECO 377. Independent Studies. (0-5)

ECO 385. Government and Business. (3) (MPT)
Public policy in the field of government regulation of business. Methods of social control, constitutional background, problems of competition, moderating competition, regulatory commissions, direct controls, and problems of public ownership.
Prerequisites: ECO 201 and ECO 202.

ECO 405. Economics of Strategy. (3) (MPC)
Uses microeconomic models to apply concepts from the FSB core areas to solve problems and make decisions that managers of firms may face daily. Class time is allocated to the development of economic models that integrate the core areas, problem solving to apply the models in typical business settings, and the analysis of cases. Gives students opportunity to present as a team an analysis of cases using skills and concepts from the core courses. Prerequisite: available only to students with senior standing who have completed the common core of business courses; students who have not completed all of these courses must have permission of the instructor to enroll.
Prerequisites: ECO 201 and ECO 202.

ECO 406/ECO 506. Environmental Economics. (3) (MPT)
Prerequisites: ECO 201 and ECO 202.

ECO 411/ECO 511. Advanced Empirical Methods. (3)
Examination of the use of estimation techniques for analyzing economic data and evaluating economic models. Topics may include properties of estimators, hypothesis testing, serial correlation and heteroscedasticity, and simultaneous equations. Applications to topics in economics are stressed.
Prerequisites: ECO 311 and ECO 315.

ECO 414/ECO 514. Mathematical Economics. (3-4)
Development of mathematical techniques essential for understanding economic theory and performing economic research. Topics include calculus of several variables; linear algebra; classical, nonlinear, and convex programming; comparative statics; and dynamic programming.
Prerequisite: MTH 151 and ECO 315 and one of the following: MTH 222, 231, or 251 or permission of instructor.

ECO 418/ECO 518. Monetary Theory and Policy. (3) (MPT)
Study of the behavior of financial institutions and their respective roles in transmission of monetary policy. Elements of monetary theory including quantity theory of money and its restatements, theory of interest, and inflation.
Prerequisite: ECO 317.

ECO 420. Seminar on Economic Problems. (1-3; maximum 9)
Selected topics in economics.
Prerequisite: permission of instructor.

ECO 423/ECO 523. History of Economic Analysis. (3)
Development of economic analysis as it evolved over the years since 1750. Schools of thought covered are preclassical and classical; socialists and Marx, Neoclassical; and heterodoxy-historist, institutional and imperfectly competitive.
Prerequisite: ECO 315 or permission of instructor.

ECO 427. The Great Depression Revisited. (3) (MPC)
The Great Depression of the 1930s was a traumatic period in our history, still widely discussed and analyzed by economists, and its specter has influenced our leaders and their policies to this day. Vigorous debate continues over the cause(s) of its unprecedented severity, and therefore, what its lessons are. A wide range of competing theories have been proposed, each involving different assumptions based upon opposing ideological foundations, about the way our macroeconomic system functions. In this team-taught course, students read original literature that offers opposing views of the causes. Competing theories are applied in a computer simulation program, which allows students to capture the relationships implied by the institutional framework of the period and the economic literature in order to judge the degree to which opposing views can be supported.
Prerequisite: ECO 317 and senior standing or permission of instructor.

ECO 441/ECO 541. International Trade and Commercial Policy. (3)
Examination of underlying causes of international trade, determinants of trade, effects of trade on income, relationship between trade and international factor movements, and theory and practice of restrictions on trade.
Prerequisite: ECO 315 or 603.
ECO 442/ECO 542. International Monetary Relations. (3)
Monetary aspects of international economic relations. Alternative
forms of international monetary organization, balance of payments,
exchange rates, and mechanism of balance of payments adjustment.
Prerequisite: ECO 317 or permission of instructor.

ECO 451/ECO 551. Economic History. (3)
Primarily American economic history as studied from the point of
view of economic theory and quantitative methods. Qualitative
determinants of long-run economic growth and structural change
investigated.
Prerequisite: ECO 315 and 317, or permission of instructor.

ECO 461/ECO 561. Industrial Organization and Public Policy. (3)
Effects of structure, conduct, and performance of imperfectly
competitive firms upon social welfare. Includes social costs of
imperfect competition, determinants of market structure, mergers,
barriers to entry, advertising, and research and development.
Prerequisite: ECO 315 or 603.

ECO 462. Economics of Compensation. (3) (MPT)
Survey of the economics of human resources. Topics may include
rationale for and effects of alternative forms of compensation and
contracting; theory and measurement of discrimination against
minorities and women; and causes and consequences of unionism.
Prerequisite: ECO 315.

ECO 465. Game Theory with Economic Applications. (3)
Topics from the field of game theory applied to numerous economic
problems. Equilibrium concepts are derived to determine the
outcome of economic agents pursuing individual self-interest in
a "non-cooperative" environment. Specific tools included:
multi-
person decision trees, expected utility theory, Bayes Theorem,
and several classes of games. Economic applications may include:
wage bargaining, strategic trade policy, adverse selection and credit
rationing, strikes, cartel enforcement, insurance, patents, and product
variety.
Prerequisite: ECO 315.

ECO 477. Independent Studies. (0-5)

ECO 480. Independent Reading. (1-6)
Seminar leading to a qualifying written report for graduation with
departmental honors.
Prerequisite: approval of honors coordinator (see current class
schedule).

ECO 482. Independent Reading. (3)
Seminar leading to a qualifying written report for graduation with
departmental honors.
Prerequisite: approval of honors coordinator (see current class
schedule).

ECO 615. Advanced Microeconomic Theory. (3)
Exposition of the general principles and analytical tools of
microeconomic theory. Includes theory of consumer choice,
production and cost, pricing in various market structures, distribution
theory, general equilibrium analysis, and welfare economics.
Prerequisite: ECO 315 or 603.

ECO 616. Microeconomic Analysis for Managerial Decisions. (3)
Focuses on microeconomic analysis of consumers, firms, and market
organization. Topics may include analysis of antitrust and regulatory
issues.

ECO 617. Advanced Macroeconomic Theory. (3)
Development of an aggregative model of output, employment,
interest rates, and prices. Analysis of the effect of government policy
on these variables. Implications of alternative specifications of the
model are also examined.
Prerequisite: ECO 317 or equivalent.

ECO 640. Internship. (0-12; maximum 12)

ECO 650. Topics in Macroeconomics. (3)
Advanced selected topics in theoretical and applied macroeconomics.
Prerequisite: ECO 617 or permission of instructor.

ECO 663. Econometrics. (3)
Theoretical and applied regression analysis under ideal and non-ideal
conditions. Includes simultaneous equation models and time series
techniques.
Prerequisite: STA 301 and STA 401/STA 501 or equivalent.

ECO 671. Topics in Applied Econometrics. (3)
Topics include simultaneous equations bias, omitted variable
problems, estimation with limited dependent variables, differences-in-
differences models, quantile regressions, event studies in finance and
the Fama-French model.

ECO 672. Applied Time Series Analysis. (3)
Topics include autoregressive and moving average models, unit root
topics, co-integration, autoregressive conditional heteroscedasticity,
and applications to financial economics and other applied areas of
economics.

ECO 677. Independent Studies. (0-5)

ECO 685. Economic Research Methods. (3)
Consideration of alternative economic methodologies; selection and
specification of critical hypotheses; model construction; sources of
data; model verification, evaluation, and revision. Summer only.
Prerequisite: graduate standing in economics.

ECO 690. Master's Research. (1-12)
In-depth research paper written with supervision of at least two
members of graduate faculty.

ECO 704. Non-Thesis Project. (0-12; maximum 12)