# *The School of Economics*

## Georgia Institute of Technology

***ECON4610A / ECON4741A***

***Senior Seminar in Economic Policy***

### Prof. Christine P. Ries

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**Office Hours:** Schedule office visits or other email meetings directly.

**CLASS:** IC 111 T.Th 3:05-4:25 PM

**Text(s):** David Besanko, et.al. Economics of Strategy, 5th ed. Wiley, 2010.

**Required:** Subscription to The Wall Street Journal.: <http://subscribe.wsj.com/semester> : See Modules:Course Materials for information on subscribing for special student rates.

**Course Objectives:**

This class is designed to support you while you integrate the concepts and methods you have mastered in your major program in the School of Economics. You will extend your understanding and enhance your ability to analyze problems, design and test solutions.

In this design-based course, you will study companies that have recently relocated to expanded in Georgia Your semester project will be to produce a report with detailed analysis and measurement of the impact of this relocation on the economy of the State of Georgia. This project will either review the impact of a non-US company on the state of Georgia or of a company choosing Georgia amongst other possible international locations.

***It is very important to me that each of you leave this course will the ability to use the tools of economics for practical and significant analysis of a corporation and its interaction with the economy.***

**Course Requirements**

In this design-based class you will complete several assignments to develop your analytical and design capability.

The culminating project will be submitted both as an ***analytical report*** and alsoas a ***presentation*** of your analysis. The report will analyze the impact on Georgia’s economy of new company relocation to the state. This report will be prepared a professional level of quality and will be presented in both written and verbal form.

Activities and work leading up to the project development will include formal review and integration of the diverse fields of economics. We will study the textbook Economics of Strategy and ***two exams*** will be based on that book and associated discussion.

We will discuss and practice working with a valuation framework for analysis of events, such as corporate relocation, and private enterprise institutions. There will be ***one exam*** based on those lectures and discussions.

You will be reading The Wall Street Journal on a daily basis throughout the course. You will be asked weekly to select news items for analysis and to be prepared to discuss those items with the class. The general topic for the selections will depend on the company which you are assigned to analyze. At the end of the semester, you will ***write a comprehensive and concluding essay******that outlines and analyses the semester’s economic events.***

Your work on the class project will be guided through the semester. You will write papers on each of the four analytical components of the study. Each paper will be assessed and graded as preparation for the final paper. The final paper will be a **major** extension of the component papers written throughout the class and will qualitatively different as the integration of the works raise new issues. Component papers will include studies of the state economy, the parent company and industry; the investing subsidiary and the corporate strategy in subsidiary investment; the impact of the investment on the state economy (economic impact modeling).

Component sections will include:

1. A review of economic impact analysis. Models and approaches for study.
2. The Economy of the State of Georgia: viewed from comparative and absolute advantage perspective that integrates and analyzes the endowments of the state. Supports the analysis with reference to trade patterns and history of economic growth.
3. The Economy of Project Investment. Assess the parent company, industry and suppliers and competitors of the project you have chosen to study. Also, assess the intended strategic impact for the investment in terms of the parent company and industry.
4. Impact of the investment on the state economy including economic impact analysis

**Structure of the Course and Teaching Program:**

This class is taught in seminar format and is a design-basedclass.[[1]](#footnote-1)

**From the GT Registrar:**

Seminars are generally small group classes that involve active participation on the part of everyone present. Some seminars are "repeatable" for credit, if the course content changes with each offering. Seminars have the same mode of presentation (Schedule Type) as lectures. That is, for each credit awarded, one 50 minute hour of class attendance is scheduled.

So, the difference seems to be active class participation and presentations in a seminar versus you only present in a lecture.

**From Wikipedia: Seminar** is a form of academic instruction. It has the function of bringing together small groups for recurring meetings, focusing each time on some particular subject, in which everyone present is requested to actively participate. This is often accomplished through an ongoing Socratic dialogue with a seminar leader or instructor, or through a more formal presentation of research. Normally, participants must not be beginners in the field under discussion (at US universities, seminar classes are generally reserved for upper-class students, although at UK and Australian universities seminars are often used for all years). The idea behind the seminar system is to familiarize students more extensively with the methodology of their chosen subject and also to allow them to interact with examples of the practical problems that always occur during research work. It is essentially a place where assigned readings are discussed, questions can be raised and debates can be conducted.  It is relatively informal, at least compared to the lecture system of academic instruction.

**Study and Discussion Plan: General Topics and Modules**

I. Review approaches to economic impact analysis. Describe models and data sets available for this research. Compile and study a sample of economic impact analysis for available for companies, events, and industries.

II. Compile an annotated list of companies that have invested into Georgia in last 3 years. Select, in consultation, company for your study. Collect information regarding that company, industry, investment.

III. Review and integrate discipline-based tools of economic analysis (macroeconomics, microeconomics, international economics, industrial organization, etc.) Textbook study, discussion and examinations.

IV. Intensive review of private enterprise economics or economics of the firm and valuation economics. Develop a valuation framework for integration of economic concepts and analytical approaches developed in undergraduate program.

V. Ongoing reading, blogging, and discussion of global current events and their effects on Georgia and on your design project from The Wall Street Journal.

VI. Intensive field work, internet and resource research, and analysis to prepare and present the written report. (IP students include required IP assessment in their reports.)

VII. Assessment of improvement in your understanding and capabilities with economic theory and concepts.

**International Plan**: The course fulfills the capstone requirement for the International Plan degree program. It integrates and expands your understanding of the historical and theoretical underpinnings of the global economy, including topics such as international trade, finance, investment, and production; regional economic integration (such as the EU); economic development and modernization; and questions of natural resource sustainability.

We will cover this international material both in focused discussion and study and also in the comparison of the economy of Georgia to the economies of other states, the nation and foreign economies. We will consider how the company you are studying relates to other international companies and how its choice of Georgia as a location is made in the context of other possible global locations.

For IP students the course is intended to follow your international experience. It provides a framework for integrating your understanding of the discipline of economics with your insights and experiences from your travel and work abroad.

**Course Conduct, Attendance and Evaluation**

Issues on which I will not compromise are HONOR and FAIRNESS. I will insure that all students are treated equally and no student receives special treatment. Student cheating is not allowed and will be prosecuted as rigorously as possible. (I am a member of the Institute’s Honor Council.) If there are ANY questions about what constitutes fairness or appropriate work rules, please contact me immediately.

**Attendance** in class is expected and all students are responsible for preparing for class discussions. In the event of absence, please review a fellow student’s class notes, ask classmates about special announcements, and check T-Square. **Students are responsible for all class lecture, announcements and discussion even when absent.** **The instructor will review materials individually only for students with excused absences** and after excused students have worked with classmates to make up their work.

Make up exams and quizzes will not be given. In the case of illness or other serious and **documented** emergency on announced exam days or on quiz days, contact me prior to the test or immediately thereafter and provide me with written documentation regarding the absence. When excused, the missed test will be scored as an average (weighted) of the other test scores. Only **one** test will be excused. Unexcused absences from tests or quizzes will be recorded as grades of zero.

We have 30 class sessions, including exams, out-of-class sessions, and project presentations. Three or more absences are considered excessive and will result in reduction of course grade. Any student missing three or more classes cannot expect to master sufficient material to receive an A or B in the class. Students missing 5 or more classes will receive failing grades.

**Attendance for days when teams present final reports is absolutely required.**

Class discussion will include material that is not covered in the text. This material will be included on the exams, general through essay questions.

Adherence to the honor code is expected; contact me if you have questions regarding appropriate behavior.

##### Grades and Evaluation

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| Grades will be distributed as follows: | Grades will be determined based on the following weights: |
| A’s = 50% of students; +/- 5%  B’s = 50% of students; +/- 5%  C’s and below = as necessary for inadequate completion of assignments, extremely poor text grades, poor attendance, dedication to project work, or poor project analysis. | WSJ reviews and summary 10%  Exams 3@10% 30%  Component reports, final report, and presentation  45%  Quizzes and Class Participation  5% |

**Grades will not conform to any standard scale that relates test score percentages to letter grades.** Rather, grades will be curved, with the distribution of grades conforming to the scale above, which is consistent with distribution policy in the School of Economics.

Grades will be posted on T-Square as earned and will accumulate over the semester. T-Square will also report the accumulated scores to date. Final letter grades will be determined by ranking the total numerical scores and assigning grades to conform to the percentages above.

1. Fleischmann, Shirley. “'Design-Based' Instruction in Engineering and ABET 2000 Criteria.“ Proceedings of the 2002 ASEE/SEFI/TUB Colloquium <http://www.asee.org/conferences/international/papers/upload/-design-based-instruction-in-engineering-and-abet-2000-criteria.pdf> [↑](#footnote-ref-1)