

# **BUS 620 Micro- and Macro-economic Foundations for Managers**

## **Fall 2021**

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**Class:** Tuesdays 6 – 8:45 PM ONLINE ONLY

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**Office Hours:** W 9-11 AM by appointment

**Textbooks:** Economics of Strategy, 7th Edition, David Besanko, David Dravone, Mark Shanley and Scott Schaefer, Wiley, 2016. (BDSS) (Print ISBN 9781119042310) or (e-book ISBN 9781119174776).  
David A. Moss, A Concise Guide to Macroeconomics, Second Edition, Harvard Business Review Press, 2014. (Moss)

### **Course Description**

This course introduces you to the micro- and macro- economic principles and environments that will serve as a foundation for other courses in the MBA program and in real life decision making. The first half of the course introduces the “economic” ways of thinking, through discussions of economic concepts and models that can be used to lend structure to and thus help solve managerial problems, and to suggest strategies for success. It also helps add to your repertoire of problem solving skills (some of which are quantitative in nature) and in the process make yourself a better consumer of economic information whether found in the media or provided by “expert” consultants. The second half of the course introduces to you important issues related to the external environment in which businesses operate, focusing on essential macroeconomic concepts and factors. The purpose is to better understand how businesses and stakeholders interact in the context of the broader external environment including social, political, regulatory, economic, and technological trends. This course has an international focus.

### **Class Components**

#### **Reading assignments:**

Chapters from the textbooks as well as readings from a variety of sources are assigned throughout the semester. Cases will also be used to supplement the class discussions. They are either available on Lualima or for purchase from Harvard Business Publishing. Separate purchase links will be provided as necessary.

#### **Midterm exam:**

There will only be one exam (a Midterm Exam) in this course. It will be based on class materials and cases discussed in the first half of the course (Microeconomics topics). Exam practice questions will be distributed beforehand and an exam review will be given.

#### **Group industry competitive environment project:**

You will be working with your group on an analysis of the competitive environment for a company of your choosing. It will be based on class materials and cases discussed during the first half of the course. The final deliverable is a paper. Details are provided separately.

#### **Group case presentations and critiques:**

You are to work in groups and lead the discussion of one case study. These group-based presentations will be graded on the basis of both the group and the individual performance. Details are provided separately.

You are also to work in groups and provide critiques for a case study presented by another group. Presentation slides will be shared with you in advance and you are also primarily responsible to lead the Q&A session. Details are provided separately.

Beyond these two cases that you are directly involved in, you are also expected to read all other cases and actively participate in class discussions.

### **Final project:**

You will be working individually or in a group of two students to create a “profile” assessing the business environment of one country in Northeast, Southeast or South Asia. It will be based on class materials discussed throughout the semester and will draw heavily from the Macroeconomics topics. The final deliverable is a paper. Details are provided separately.

### **Class participation:**

Graduate business education assumes that you will learn much from your fellow students. Hence, it is expected that you consistently participate actively in and contribute positively to the class. Class participation is diminished if you are absent, late, or otherwise not engaged, and the class participation grade will reflect that.

### **Grading - Student grades will be determined on the basis of 100 points**

**1. Midterm exam - 25 out of 100 points**

**2. Group competitive environment analysis - 20 out of 100 points**

**3. Final course project - 25 out of 100 points**

**4. Case presentations and Critiques - 25 out of 100 points**

- Group case presentation (total of 15 points)
- Case critique and Q&A (total of 10 points)

**5. Class participation - 5 out of 100 points**

- Participation grades will reflect the quality and quantity of your contributions to our class discussions and experience. Simply attending class is expected, and in and of itself does not constitute participation in class activities.

The curve will reflect the following spectrum of mastery of topics and their application:

- A = high achievement
- B = meets expectations
- C = below expectations
- D = inadequate performance
- F = grossly inadequate; failure

Plus or minus grades will be used to distinguish performance within letter grades.

### **Grade distribution policy:**

The Shidler College of Business MBA program adheres to the following grade distribution policy:

The target for “A” grades in MBA core courses is no more than 30 percent of assigned grades.

For a detailed description of the Shidler College of Business grade distribution policy, please refer to the Shidler College of Business Graduate Student Handbook located online at <http://shidler.hawaii.edu/sites/shidler.hawaii.edu/files/downloads/full-time-mba-handbookqjgir3wdkj.Pdf>

## **Late Assignment Policy**

All assignments are due at specific dates/times and in proper formats. Assignments handed in after the due date/time but during the next 24 hours will receive HALF credit. Assignments handed in more than 24 hours after the due time will receive NO credit.

## **Use of Lulima**

This class uses Lulima (<http://lulima.hawaii.edu>). It may be used to distribute course materials, to communicate and collaborate online, to post grades, and to submit assignments. You will be responsible for checking Lulima course site regularly for class work and announcements. Scheduled Lulima downtimes are posted on the Lulima login page, and thus are not an excuse for late work. Lulima technical support can be reached at [itech-l@hawaii.edu](mailto:itech-l@hawaii.edu), so plan accordingly.

## **Special Accommodations**

Students with disabilities are encouraged to contact the KOKUA Program for information and services. Services are confidential and free of charge. In case of need, contact KOKUA at 956-7511, or [kokua@hawaii.edu](mailto:kokua@hawaii.edu), or Student Services Center Room 13. Early contact is strongly recommended.

## **Scholastic Dishonesty Policy**

Acts of academic dishonesty are not tolerated in this class. Acts of academic dishonesty as defined by university policies may lead to redoing the assignment, receiving a failing or reduced grade for the course or being referred to the UH Dean of Students for University disciplinary action.

Students should refer to the UH Student Conduct Code ([www.hawaii.edu/student/conduct](http://www.hawaii.edu/student/conduct)) for detailed definitions and explanations of academic dishonesty.

**Calendar** (*subject to change*)

<b>Date</b>	<b>Topic</b>	<b>Chapter Readings</b>	<b>Cases and Others</b>
Aug. 24	<i>Econ Tutorial</i>	<ul style="list-style-type: none"> <li>• <i>BDSS, Economics Primer</i></li> <li>• <i>Other materials distributed</i></li> </ul>	
Aug. 31	Course overview and Syllabus; Introduction I	<ul style="list-style-type: none"> <li>• <i>BDSS, Ch. 1 (Read Yourself)</i></li> <li>• <i>BDSS, Economics Primer</i></li> </ul>	
Sept. 7	Introduction II	<ul style="list-style-type: none"> <li>• <i>BDSS, Economics Primer</i></li> <li>• <i>BDSS, Ch. 8 (including Appendix)</i></li> </ul>	
Sept. 14	Horizontal and Vertical Dimensions of the Firm	<ul style="list-style-type: none"> <li>• <i>BDSS, Ch. 2 and 3</i></li> </ul>	
Sept. 21	Market Structure and Competitive Strategy	<ul style="list-style-type: none"> <li>• <i>BDSS, Ch. 5 (except pp. 170-181)</i></li> </ul>	“OSI in China”
Sept. 28	Competition	<ul style="list-style-type: none"> <li>• <i>BDSS, Economics Primer</i></li> <li>• <i>BDSS, Ch. 5 (pp. 170-181)</i></li> </ul>	
Oct. 5	Strategic Commitment; Pricing Rivalry	<ul style="list-style-type: none"> <li>• <i>BDSS, Ch. 7</i></li> </ul>	“Apple in China” and “Xiaomi” (One Presentation)
Oct. 12	Entry and Exit	<ul style="list-style-type: none"> <li>• <i>BDSS, Ch. 6</i></li> <li>• <i>Midterm Exam Review List</i></li> </ul>	“Indogo Airlines: Monopolizing Indian Skies”
Oct. 19	<b>Midterm Exam Review</b>	<ul style="list-style-type: none"> <li>• <i>Handouts</i></li> </ul>	“Uber”
Oct. 26	<b>Midterm Exam</b>		
Nov. 2	<b>Guest Lecture;</b> Overview of Macroeconomics; External Risks and Stakeholders	<ul style="list-style-type: none"> <li>• <i>Handouts</i></li> </ul>	
Nov. 9	<b>Group Research Day</b>		<b>Group project due in Dropbox On Nov. 12 (Friday)</b>
Nov. 16	Output and GDP Accounting; Money, Interest Rates, Exchange Rates; Central Banking; Expectations	<ul style="list-style-type: none"> <li>• <i>Moss, Ch. 1 and 5</i></li> <li>• <i>Moss, Ch. 2 and 3</i></li> </ul>	
Nov. 23	Fiscal Policy; Government Regulation	<ul style="list-style-type: none"> <li>• <i>Handouts</i></li> </ul>	“Kinyuseisaku: Monetary Policy in Japan (A)”
Nov. 30	Corporate Social Responsibility; <b>Guest Lecture</b>	<ul style="list-style-type: none"> <li>• <i>Handouts</i></li> </ul>	“The Coronavirus Pandemic and the Global Economy (A) and (B)”
Dec. 7	Government Regulation; Conclusion	<ul style="list-style-type: none"> <li>• <i>Handouts</i></li> </ul>	“Unilever's New Global Strategy: Competing through Sustainability”
Dec. 14	<b>Final Project Due</b>		

Updated 8/28/2021