

Economics and Management

Faculty

Daniel S. Christiansen, chair and professor.

B.A., 1969, Willamette University; M.A., 1971, Ph.D., 1975, Stanford University.
Appointed 1981.

John B. Bedient, associate professor.

B.A., 1975, Alma College; M.B.A., 1978, Indiana University; C.P.A., 1977. Appointed 1985.

Michael L. Frandsen, assistant professor.

B.S., 1983, M.B.A., 1990, Pennsylvania State University; Ph.D., 2003, University of Texas, Austin. Appointed 2004.

Jahn K. Hakes, assistant professor.

B.A., 1991, University of Florida; M.A., 1993, Ph.D., 1996, Duke University. Appointed 2005.

Jon A. Hooks, professor.

B.S., 1984, Cameron University; M.A., 1985, University of Texas, Dallas; M.A., 1987, Ph.D., 1989, Michigan State University; C.F.A., 2000. Appointed 1989.

Jonathan Lanning, instructor.

B.A., 1999, Occidental College; M.A., 2003, Ph.D. candidate, University of Michigan. Appointed 2006.

Zhen Li, assistant professor.

B.A., Peking University; M.A., 1999, Ph.D., 2004, Princeton University. Appointed 2004.

Gregory M. Saltzman, E. Maynard Aris Professor of Economics and Management.

S.B., 1976, S.M., 1976, Massachusetts Institute of Technology; M.A., 1978, Ph.D., 1982, University of Wisconsin. Appointed 1986.

Gaylord N. Smith, professor.

B.B.A., 1966, University of Michigan; M.B.A., 1967, Michigan State University; C.P.A., 1975. Appointed 1976.

Kotaro Yoshida, assistant professor.

B.A., 1999, Waseda University (Japan); Ph.D., 2006, Duke University. Appointed 2006.

Introduction

The Economics and Management Department offers a flexible program that provides students with the tools and understanding to make judgments and choices in many areas of economic interest. Students are taught the basic skills of economics and business, with emphasis on decision-making in both the private and public sectors. The department also supports the Gerstacker Liberal Arts Institute for Professional Management and the interdepartmental majors in mathematics/economics and public policy.

[Economics and Management Department Web site](#)

Career Opportunities

Graduates in economics and management have professional opportunities in many aspects of business, including accounting, banking, finance, international business, human resources, marketing and sales, and retailing. The program also provides a strong background for graduate study in law, business, economics, public policy studies and related areas. A special track is available for students wishing to meet the 150-hour requirement for becoming a certified public accountant.

Special Features

The department offers seminars and directed studies each semester that allow students to explore areas not otherwise covered in the curriculum and do extensive research in areas of personal interest. The department maintains a close relationship with the business world, which aids in the placement of graduates.

Requirements for Major

- A minimum of eight units in economics and management, including Economics 101, 102, 211, 230, 232 and at least one course at the 300-level. Unless approved by the department in advance, Economics 230 and 232 must be taken at Albion College. The eight units used to fulfill major requirements must be taken for a numerical grade. It is recommended that all courses taken in the department by majors be taken for a numerical grade except those offered only on a credit/no credit basis. Normally, students will enroll in Economics 101 in either the first or second semester and Economics 211 in either the second or third semester. Economics 211 is not open to first semester freshmen. Economics 230 and 232 should be taken in the second year along with those courses fulfilling the mathematics and statistics cognate requirements. It is recommended that students planning a major in economics enroll in Mathematics 125 or calculus during their first year. Seniors may be required to participate in a senior assessment exercise.
- The following cognate areas must be completed for a major:
 1. Mathematics 125 or its equivalent as demonstrated by proficiency or calculus.
 2. One course from Mathematics 210, 309, or Economics 235.
- In addition, it is recommended that individuals interested in graduate study in business or management take Mathematics 141 and 143. Individuals contemplating graduate study in economics should complete the mathematics/economics major.
- Because of the increased globalization of the U. S. economy, all majors are encouraged to participate in approved off-campus study programs. For a list of approved programs, consult with the Off-Campus Programs Office.

Information on Minors

- The minor in economics, the minor in management, and the minor in management--Gerstacker track are not open to economics and management majors.
- Students may not choose more than one minor in the Economics and Management Department.
- All courses for the minor must be taken for a numerical grade, except those offered only on a credit/no credit basis.

Requirements for Minor in Economics

- Five units, including: Economics 101 and either 230 or 232, plus three from Economics 102, 225, 230, 232, 235, 271, 273, 322, 323, 326, 331, 344, 354, 365, 366, 368, 375, 379, 380 and (with approval of the department chair) 389.

Requirements for Minor in Management

- Five units, including: Economics 101 and 211, plus three from Economics 212, 311, 312, 336, 341, 342, 344, 348, 350, 353, 355, 357, 359, 368, 376 and (with approval of the department chair) 389.

Requirements for Minor in Management--Gerstacker Track

- Admission to the [Carl A. Gerstacker Liberal Arts Institute for Professional Management](#).
- Five units, including: Economics 101H, 102H, 211, plus two from Economics 212, 311, 312, 336, 341, 342, 344, 348, 350, 353, 355, 357, 359, 368, 376 and (with approval of the department chair) 389.
- One internship.

Courses

The following courses are offered without specific prerequisites for interested liberal arts students who have enrolled at Albion in 1998 or after: Introduction to Economics (101), Financial Accounting (211), Women in the Economy (271), Topics in World Economic History (326), Labor and Collective Bargaining (353), Human Resource Management (355), and Negotiation and Dispute Resolution (376).

101 Introduction to Economics (1) Fall, Spring

Introduction to the principles of individual decision making and market behavior. Focuses primarily on microeconomics, with some attention given to unemployment, inflation and international issues. *Staff*.

101H Introduction to Economics (1) Fall

Honors equivalent of Economics 101 for students in the Carl A. Gerstacker Liberal Arts Institute for Professional Management, for students pursuing the mathematics and economics major, and for others by invitation. *Staff*.

102 The Economy and Financial Markets (1) Fall, Spring

Prerequisite: Economics 101 or permission of instructor.

Introduction to the macroeconomy and macroeconomic models with special emphasis on the role of financial markets, interest rates, the Federal Reserve, monetary and fiscal policy, and money and capital markets. *Staff*.

102H The Economy and Financial Markets (1) Spring

Prerequisite: Economics 101H or permission of instructor.

Honors equivalent of Economics 102 for students in the Carl A. Gerstacker Liberal Arts Institute for Professional Management, for students pursuing the mathematics and economics major and for others by permission. *Staff.*

211 Financial Accounting (1) Fall, Spring

Introduction to the world of business and accounting. Emphasis on understanding the concepts of net income, cash flow and financial condition. Communication of economic results through financial statements and reports. Development of analytical skills used in evaluating business success. Not open to first-year students. *Staff.*

212 Managerial and Cost Accounting (1) Fall, Spring

Prerequisite: Economics 211 or permission of instructor.

Development and use of accounting information for effective managerial control and decision-making within a complex organization. Topics include cost behavior, profit planning, cost accounting (including job order, process and activity-based), just-in-time inventory control, standard costs and budgetary control. *Staff.*

225 United States Economic History (1) Spring

Prerequisite: Economics 101 or permission of instructor.

Economic growth and regional integration in the United States from the seventeenth through the twentieth centuries. Examines changes in the structure of labor and capital markets, with a focus on the economics of changes in law, technology and the organization of the firm. *Staff.*

230 Intermediate Microeconomics (1) Fall, Spring

Prerequisites: Economics 101, Mathematics 125 or equivalent.

Theoretical analysis of consumer choice theory and demand, production and cost, the firm and market organization, distribution and general equilibrium, game theory. *Christiansen, McCarley.*

230H Honors Intermediate Microeconomics (1) Fall

Prerequisites: Economics 101 and Mathematics 141.

Theoretical analysis of consumer choice theory and demand, production and cost, the firm and market organization, distribution and general equilibrium, game theory. *Christiansen, McCarley.*

232 Intermediate Macroeconomics (1) Fall, Spring

Prerequisites: Economics 101, 102, Mathematics 125 or equivalent.

The development of macroeconomic theory and its application to government policy toward unemployment, inflation and growth. *Hooks, Li, Steinhauer.*

232H Honors Intermediate Macroeconomics (1) Fall, Spring

Prerequisites: Economics 101, 102, and Mathematics 141.

The development of macroeconomic theory and its application to government policy toward unemployment, inflation and growth. *Hooks, Li, Steinhauer.*

235 Economic Statistics (1) Fall, Spring

Prerequisite: Mathematics 125 or equivalent.

A first course in statistics with emphasis on regression analysis and its applications in economics and management. Not open to students who have taken Mathematics 109, 210 or 309. *Christiansen, Frandsen, Hakes.*

235H Honors Economic Statistics (1) Summer

Prerequisite: One semester of calculus.

A first course in statistics with emphasis on regression analysis and its applications in economics and management. *Christiansen, Frandsen, Hakes.*

271 Women in the Economy (1) Spring

Prerequisite: Economics 101 or permission of instructor.

A comprehensive study of past and present economic conditions affecting women in the U.S. economy. *McCarley.*

273 Environmental and Natural Resource Economics (1) Spring

Prerequisite: Economics 101.

Economic theory is used to examine environmental and natural resource problems and policies. *Hakes.*

311 Intermediate Accounting I (1) Fall

Prerequisite: Economics 212.

Intermediate accounting. The study of the principles and theory underlying financial reporting and their application to income determination; measurement and reporting of selected balance sheet items. *Bedient.*

312 Intermediate Accounting II (1) Spring

Prerequisite: Economics 311.

Continuation of 311 plus coverage of selected topics such as stockholder equity; statement of cash flows; leases; pensions; etc. *Staff*.

322 Issues in Modern Political Economy (1) Spring

Prerequisite: Junior or senior standing or permission of instructor.

A non-technical course on selected legal and public policy issues related to the economy. Topics vary from term to term but could include such issues as equal employment opportunity and affirmative action, the use of economic analysis in setting public policy, and government's role in health care. Not offered every year. *Saltzman*.

323 Government Economics and Policy (1) Fall

Prerequisite: Economics 101.

Application of microeconomic analysis to expenditure and revenue decisions in the public sector, including rationale for government expenditures, criteria for revenue generation and the analysis of economic effects of major taxes. Not offered every year. *Hooks*.

326 Topics in World Economic History (1) Fall

Considers market development, non-market institutions, and the interaction of markets and non-markets in a wide variety of cultures and civilizations since about 0 A.D. Topics include a complete command economy (Incans), slavery, women's access to labor markets, inheritance law, the industrial revolution and its effects, and credit markets. Some economics and history background is recommended. *Staff*.

331 Money and Banking (1) Fall, Spring

Prerequisite: Economics 101.

Focuses on the Federal Reserve and its attempts to promote maximum sustainable economic growth. Other topics include the nature of money, the determination of interest rates, the financial system and financial institution operations, the structure of the Federal Reserve and the macroeconomics of inflation and growth. *Hooks, Steinhauer*.

336 Marketing Principles and Decision-Making (1) Fall

Prerequisite: Junior or senior standing, or permission of instructor.

Principles of modern marketing and techniques used to make marketing-based business decisions. Emphasis is placed on setting marketing goals and devising appropriate strategies and tactics to achieve the goals. Students put theories into practice with computer simulations and electronic spreadsheet models. *Bedient*.

341 Federal Income Taxation (1) Fall

Comprehensive introduction to federal income taxation, particularly as it relates to individuals and businesses. Emphasis on the recognition of opportunities for effective tax planning and management. *Smith*.

342 Auditing (1) Spring

Prerequisites: Economics 312, Statistics.

Introduction to auditing concepts, objectives and standards; topics include professional ethics, types of audits (their purpose, scope, and methodology). EDP auditing, and statistical sampling. Reference will be made to authoritative auditing standards and pronouncements. *Staff*.

344 Portfolio Theory (1) Spring

An overview of the characteristics and analysis of individual security returns, and the theory and practice of optimally combining securities into portfolios. Examines the equilibrium pricing of securities in the context of the capital asset pricing model, and the risk/return relationship of both individual securities and portfolios, as well as the recent attack on the CAPM and the implications for efficient markets. *Hooks*.

348 Financial Management (1) Fall

Prerequisite: Economics 101.

A survey course covering principles of corporate financial management. Topics include working capital management, agency theory, capital budgeting, capital structure, dividend policy, financial analysis and selected topics. *Frandsen, Hooks*.

350 Business Law (1) Spring

Prerequisite: Permission of instructor.

A case approach to the application of legal principles to business activity. Particular emphasis is placed upon the law of contracts, the Uniform Commercial Code, business organization, and federal regulation of the competitive process. Junior or senior standing is recommended. *Garrison*.

353 Labor Law, Unions and Management (1) Fall

Prerequisite: Sophomore standing or permission of instructor.

Labor history, labor law, union-management relations, comparative labor movements. Student participation in a collective bargaining game. Not offered every year. *Saltzman*.

354 Labor Economics (1) Spring

Prerequisite: Economics 101.

An investigation of labor market decisions and outcomes; topics include labor supply and demand, earnings, discrimination and unemployment. *McCarley*.

355 Human Resource Management (1) Fall

Prerequisite: Junior or senior standing.

An overview of personnel management, with an emphasis on the needs of the general manager rather than the personnel specialist. Topics include employee motivation, job enrichment, labor relations, grievances and discipline, recruitment and selection, equal employment opportunity, performance appraisal, compensation and employee benefits. *Saltzman*.

357 Business Functions (1) Summer

Prerequisite: Permission of instructor.

Introduction to management, finance and marketing for students in the Gerstacker Institute. *Staff*.

359 Management (1) Fall, Spring

Prerequisite: Junior or senior standing, or permission of instructor.

An introduction to current management theory and practice. Traditional managerial functions such as planning, organizing and controlling are studied and contrasted with newer cross-functional approaches. The course emphasis is on the building blocks of management so that these principles can be applied to a variety of organizations including educational, business and not-for-profit institutions. *Frandsen*.

365 International Finance (1) Spring

Prerequisite: Economics 232.

International macroeconomics. Particular attention is paid to the relationship among exchange rates, balance of payments, international capital flows and macroeconomic equilibrium. Eurocurrency markets and alternative international monetary systems are also examined. *Li*.

366 International Trade (1) Fall

Prerequisite: Economics 230.

International microeconomics. Study of models explaining trade patterns between countries. Analysis of industry-level trade policy issues including the effects of tariffs, quotas and other restrictions; international competition among large firms; technological change; and free trade areas. *Li*.

368 Financial Markets (1) Spring

Prerequisite: Economics 102.

An examination of the way in which the market transfers resources from those with a surplus to those with a deficit. Students study both the theory of efficient transfer and the financial institutions and instruments which facilitate this transfer. Topics include the analysis of equity markets, fixed income markets and derivative markets. *Hooks*.

375 Health Economics (1) Spring

Prerequisite: Economics 101 or permission of instructor.

A microeconomic and institutional analysis of health care services in the U.S., with particular reference to issues of cost and access. Topics include the demand for medical care, health insurance, economic regulation of hospitals, the markets for physicians and medical education, and the political economy of health care. *Saltzman*.

376 Negotiation and Dispute Resolution (1) Spring

Prerequisite: Junior or senior standing, or permission of instructor.

An introductory study of the theories and concepts related to negotiation and dispute resolution developed in such fields as microeconomics, psychology and industrial relations. Includes many role-playing exercises to provide students with practice in negotiation. *Saltzman*.

379 Econometrics (1) Spring

Prerequisite: One of the following: Mathematics 210, Mathematics 309, Economics 235 or Economics 235H.

An introduction to empirical work in economics and management. Topics covered include: hypothesis testing, estimation, correlation, and regression and related problems. Students use statistical software to access data sources and to write an empirical paper. *Hakes*.

380 Mathematical Economics (1) Spring

Prerequisites: Economics 230 or 230H and at least one course in calculus.

Optimization and economic analysis, game theory and financial economics. *Christiansen*.

382 Strategic Management (1) Fall

Prerequisite: Economics 359 and senior standing.

Considers the roles of CEOs and other top executives using case studies. Focuses on corporate strategy formulation and implementation in terms of the competitive environment, the integration of functions within the firm, and the concerns of stakeholders inside and outside the organization. Examines ways in which firms may gain and maintain competitive advantage. Specific topics may vary in response to current events in the business world. *Frandsen*.

383 Accounting Information Systems (1/2) Spring

Prerequisite: Economics 211.

Provides a basic knowledge of the components of an accounting information system and the controls required to operate it efficiently.

Students receive hands-on experience with a computerized accounting system. *Smith.*

384 Governmental and Not-for-Profit Accounting (1/2) Fall

Prerequisite: Economics 311.

An introduction to accounting and financial reporting for governmental entities and non-profit organizations. Covers state and local governments, colleges and 165 universities, health care entities, museums, libraries and performing arts organizations. *Bedient.*

385 Advanced Taxation (1/2) Spring

Prerequisite: Economics 341.

A continuation of Economics 341. Introduction to the taxation of corporations, partnerships, estates and trusts. *Smith.*

389 Selected Topics (1) Fall, Spring

Prerequisite: Permission of instructor.

The Economics and Management Department schedules a number of courses each semester under the flexible title "Selected Topics." These courses are offered to meet the evolving needs and interests of students. Examples of recent topics include: International Business and Data Retrieval and Analysis. *Staff.*

391, 392 Internship (1/2, 1) Fall, Spring

Offered on a credit/no credit basis. Limited to one unit of credit in economics and management. *Staff.*

401, 402 Seminar E or M (1/2, 1) Fall, Spring

Prerequisites: Junior or senior standing in economics and management and permission of the instructor.

Seminars are offered in selected areas not normally part of the regular curriculum. *Staff.*

411, 412 Directed Study (1/2, 1) Fall, Spring

Prerequisites: Junior or senior standing in economics and management and permission of instructor. *Staff.*