

UNIVERSITY OF DETROIT MERCY
ECN 5100 – ECONOMIC ANALYSIS OF ENTERPRISES (UC)

Instructor: Joseph A. Weglarz - Lecturer
Class Hours: Thursday: 6:30 – 8:50 p.m.
Office Hours: Macomb University Center: Tuesday and Thursday (1-4 p.m.)
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Students are expected to:

- Understand the basic concepts and fundamentals of microeconomics in relationship to the study of the enterprise
- Critically analyze articles and handouts about diverse economic topics
- Understand the fundamental economic formulas of valuation
- Understand the importance of marginality in every economic decision made by the enterprise
- Meet all of the course objectives listed below

COURSE OBJECTIVES: The student will be able to:

- Define an enterprise and understand the complexity of its structure
- Understand the basic concepts of human action, including the means, time, ends and values
- Examine the concept of marginal utility in the context of an enterprise
- Analyze the factors of production, including law of returns, convertibility and valuation as well as the formation of capital
- Understand action as an exchange
- Examine the pattern of direct exchange and patterns of indirect exchange
- Understand prices and consumption in the context of an enterprise
- Examine the structure of production, joint ownership of the product, cost, and present and future goods
- Understand the process of production and its relationship with the rate of interest
- Determine the discounted marginal value product
- Understand the sources of factor incomes
- Define and analyze land and capital goods as well as capitalization and rent
- Examine entrepreneurial profit and loss in an enterprise
- Examine capital values and aggregate profits in a changing economy
- Understand the sources of entrepreneurial pricing, marginal productivity, and the “problem” of unemployment
- Analyze consumers’ sovereignty and compare it to individual sovereignty
- Examine cartelization and its consequences of an enterprise
- Define monopoly and analyze the various theories of monopoly price
- Understand the theory of monopolistic or imperfect competition
- Define and analyze the money relation
- Compare and contrast the demand for and the supply of money
- Understand the ultimate determination of prices

Texts: Rothbard, Murray N. *Man, Economy, and State*. The Scholar's Edition. Auburn, AL: Ludwig von Mises Institute, 2004. (MES)

Skousen, Mark. *The Structure of Production*. New York & London: New York University Press, 1990. (SOP)

Malone, Michael S. *The Intel Trinity*. New York: HarperCollins Publishers, 2014. (IT)

Stone, Brad. *The Everything Store: Jeff Bezos and the Age of Amazon*. New York: Little, Brown and Company, 2013. (ES)

Subscription to *The Wall Street Journal*.

Course Description: To study the nature and fundamentals of human action as it relates to the economic analysis of the enterprise. Patterns of direct and indirect exchange are examined as well as prices and consumption. A detailed study of production, general and factor pricing, entrepreneurship and change, and productive incomes are discussed as well as monopoly, competition, and the money relation as it relates to the dynamic enterprise.

Examinations: There will be five quizzes and three exams.

Your grade will be based on: **600/6 = Final Grade**

3 exams @ 100 pts. = 300

5 quizzes @ 50 pts. = 200

*Note: lowest quiz score will be automatically dropped!

WSJ Project @ 100 pts. = 100

Examinations and Quizzes:

Students are required to take all five quizzes and all three examinations. Failure to take all five quizzes and the three examinations will result in an automatic ½ grade reduction.

Make-up quizzes and exams will only be given if the student can verify an emergency.

Grading: The University of Detroit Mercy grading scale is as follows:

A 100 – 93

A- 92 – 90

B+ 89 – 87

B	86 – 83
B-	82 – 80
C+	79 – 77
C	76 – 67
D	66 – 60
F	59 - 00

Quizzes:

Quizzes will cover *The Structure of Production* (SOP), *The Intel Trinity* (IT) and *The Everything Store* (ES). ***The Structure of Production*** (SOP) will be covered in the following order: Quiz I: Intro and Chapters 1-2; Quiz II: Chapters 3-4; Quiz III: Chapters 5-7; Quiz IV: Chapters 8-9; Quiz V: Chapters 10-11. ***The Intel Trinity*** (IT) will be covered in the following order: Quiz I: Chapters 1-3; Quiz II: Chapters 4-13; Quiz III: Chapters 14-19; Quiz IV: Chapters 20-47; Quiz V: Chapters 48-56. ***The Everything Store*** (ES) will be covered in the following order: Quiz I: Chapters 1-2; Quiz II: Chapters 3-4; Quiz III: Chapters 6-7; Quiz IV: Chapters 8-9; Quiz V: Chapters 10-11.

Examinations: Examinations will cover lecture material and other texts.

Exam I will cover:

1. Class notes
2. *Man, Economy, and State* (MES) – Chapters 1-4
3. Handouts

Exam II will cover:

1. Class notes
2. *Man, Economy, and State* (MES) – Chapters 5-8
3. Handouts

Exam III will cover:

1. Class notes
2. *Man, Economy, and State* (MES) – Chapters 9-11
3. Handouts

<u>WEEK</u>	<u>DATE</u>	<u>LECTURE TOPICS</u>
1	08/28	Introduction and Overview
2	09/04	Fundamentals of Human Action

3	09/11	Direct Exchange
4	09/18	Patterns of Indirect Exchange QUIZ I
5	09/25	Prices and Consumption Review for Exam I
6	10/02	EXAMINATION I
7	10/09	Production: The Structure QUIZ II
8	10/16	Production: The Rate of Interest and Its Determination
9	10/23	Production: General Pricing of the Factors QUIZ III
10	10/30	Production: Entrepreneurship and Change Review for Exam II
11	11/06	EXAMINATION II
12	11/13	Production: Particular Factor Prices and Productive Incomes Quiz IV
13	11/20	Monopoly and Competition QUIZ V
14	12/04	Money and Its Purchasing Power WSJ Project Review for Exam III
15	12/11	Final Exam Week FINAL EXAMINATION

Compliance with UDM Student-Related Policies:

Students of the University of Detroit Mercy are expected to comply with all policies and practices established by the College and/or University. Listed below are a few specific UDM policies, however the list is not intended to be exhaustive. A complete listing of all UDM policies can be found in the UDM Student Handbook, and students are expected to be familiar with all UDM student-related policies.

Student Course Evaluations:

Student course evaluations are an important source of information for curricular and teaching improvement in the College of Liberal Arts and Education. As such, all students

enrolled in CLAE courses are strongly encouraged to complete an online course evaluation. Course evaluations are completed during the week preceding final exams each semester. Information is provided to students through email explaining how to complete the evaluation online.

Available Support Services:

The University of Detroit Mercy has a wide array of support services available to all students that include the library, media center, tutoring (UAS, 3rd Floor of Library) and Writing Center (Briggs 135). The UDM Student Handbook contains complete information regarding location and hours of operation of the University's support services. Students are encouraged to utilize the support services provided by the University, as needed.

UDM Policy on Plagiarism and Academic Integrity:

As members of an academic community engaged in the pursuit of truth and with a special concern for values, students are expected to conform to a high standard of honesty and integrity in their academic work. The fundamental assumption under which the University operates is that work submitted by a student is a product of his/her own efforts.

Among the most serious academic offenses is plagiarism, submitting the style of another author or source without acknowledgment or formal documentation. Plagiarism occurs when specific phrases or entire passages, whether a sentence, paragraph or longer excerpt, are incorporated into one's own writing without quotation marks or documentation. One also plagiarizes by paraphrasing the work of another, that is, retaining another writer's ideas and structure without documentation.

Students are advised always to set off another writer's exact words by quotation marks, with appropriate references. Students avoid plagiarism by concentrating on their own words and ideas and by fully crediting others' words and ideas when they find their way into the writing. Whenever in doubt, cite the source.

Students that purchase essays from other students or agencies or who copy from one another or from prohibited sources, commit the most serious type of academic dishonesty. The consequences of plagiarism, or any act of academic dishonesty, may range from failure on an assignment or in a course to dismissal from the University.

Disability Support Services and Accommodations:

It is very important for students to be proactive with regard to requesting disability accommodations. While it is never required that you disclose your disability to your professors, all students at UDM are encouraged to talk to their professors to discuss their concerns. Faculty cannot provide disability accommodations without official notification from the Disability Support Services office. If you need an accommodation because of a disability, if you have emergency medical information to share, or if you need special arrangements in case the building must be evacuated, please contact Emilie Wetherington

as soon as possible to schedule an appointment (gallegem@udmercy.edu or (313) 578-0310). Disability Support Services is located in the Student Success Center, Room 319, on the 3rd Floor of the Library, McNichols Campus.

**Statement Regarding
Professional Conduct:**

Student communications to and with the professor shall at all times be conducted in a professional and courteous manner.

***Note – The last day to withdraw from this class is November 17, 2014**

The Wall Street Journal Project (100 pts.)

Students are required to answer the following questions about financial enterprises and the economy using the print and online editions of *The Wall Street Journal*.

1. Describe the recent attempts by the Obama administration to “jump-start” the economy and identify five leading economists with their assessment of its impact on the long-term growth of the domestic economy.
2. Trace the direction of inflation using the U.S. Consumer Price Index. Is the inflation rate rising or falling? What are three major factors that have influenced the direction of the inflation rate?
3. What is the Federal Reserve doing with our money? Please summarize five articles that underscore the importance of the central bank in implementing monetary policy.
4. Trace the daily movement of gold and silver. What are three major causes of price movements in these commodities?
5. Trace the daily movements of crude oil. What are three major causes of petroleum price movements?
6. What is the unemployment rate in the national economy? What is the unemployment rate in Michigan? Identify and summarize five articles about initiatives in the state to create new jobs.
7. Trace the daily movement of the Dow Jones Industrial Average and the Standard & Poor’s 500 Index. Summarize ten articles that incorporate the market as a leading or lagging indicator of national economic performance.
8. Please identify and summarize five recently released books about economics or entrepreneurship as reviewed by *The Wall Street Journal* staff.
9. Trace the PPI (Producer Price Index) throughout the semester and comment on its movement.
10. Identify three important and pressing problems that the U.S. economy faces over the next two years. Please use *The Wall Street Journal* as your guide.