

EC 3400: Economic Decision Analysis

Course Syllabus – Fall 2023

Dr. Laura Connolly

Course Information

Class Location: Fisher 135 (0A; 11 AM); DOW 641 (0B; 3:30 PM)
Class Time: Tuesdays & Thursdays, 11:00 AM – 12:15 PM (0A); 3:30 – 4:45 PM (0B)
Suggested Text: *Economic Decision Analysis*. 4th Edition by Roberts, Nelson, & Gale (2006)
*You may also use the 3rd edition (orange cover); 2 copies on course reserve in library
Canvas: All assignments, grades, announcements, lecture slides/examples, due dates, etc. Check Canvas regularly for information and changes.

Instructor Information

Instructor: Dr. Laura Connolly
Office: 125 Academic Office Building (first floor)
Office Hours: Tues & Thurs, 9:30 – 10:45 AM (F2F) & by appointment
*Please request appointment (F2F or virtual) 24+ hours in advance.
E-mail: leconn@mtu.edu -- **PLEASE INCLUDE "EC 3400" IN SUBJECT**
Office Phone: (906) 487-2809

Teaching Assistant: Mr. Bashiru Ibrahim
TA Office: G017 Academic Office Building (basement level)
TA Office Hours: Mondays & Wednesdays, 12:00 – 3:00 PM
TA E-mail: bashirui@mtu.edu

Office hours are not a one size fits all. You are welcome to stop by our offices at other times. We are both available to meet in person and virtually; please email us to set up an alternative meeting time.

Email & Instructor Availability

I check email between 9 AM – 5 PM each weekday. I do my best to respond to messages within one business day (often a few hours). I will respond to messages received outside of these hours once I am back online. I appreciate your patience. Please plan ahead before deadlines and exams.

Course Description

This course focuses on the methods and tools related to time value of money and economic decision making over time. We will primarily focus on interest rates, cash flow analysis, depreciation, taxes, project evaluation, and corporate finance. These topics have applications in a wide variety of contexts in personal finance and business management.

Course Learning Objectives

This course satisfies University Student Learning Goal 4: Critical and Creative Thinking. Please see the [Goal 4 rubric here](#).

Upon successful completion of the course, students will be able to:

- (1) Estimate payments, time to pay off, and total interest paid for loans.
- (2) Calculate the return of investments to determine if the return outweighs the cost.
- (3) Construct cash flow diagrams and use these diagrams to solve investment problems.
- (4) Identify and measure the direct and indirect costs and benefits of competing alternatives.
- (5) Consider how the corporate tax system influences choice of alternatives.

Responsibilities & Expectations

What I Expect of You:	What You Should Expect of Me:
<ul style="list-style-type: none"> • Attend class, participate, & ask questions • Come to class prepared and engage with content (take notes, work examples, etc.) • Regularly check Canvas for resources, grades, assignments, information, etc. • Respect everyone and their ideas • Give your best effort every day (this may look different each day) • Ask for help when you need it • Abide by MTU's Academic Integrity Policy • • • 	<ul style="list-style-type: none"> • Be prepared for class every day • Bring relevant current events into class discussions • Respect you, your ideas, and your time • Clearly communicate expectations, assignments, grading, and course changes • Post grades to Canvas in a timely manner (within one week) • Be available to help you via email, during office hours, and other meeting times. • • •

Grading

Your course grade will be based on four categories: Exams (60%)*, Homework (25%), Activities (10%), and In-Class Participation (5%). The grading scale used in the course is outlined below:

A 93 – 100	B 83 – 86.99	C 73 – 76.99	D 62 – 66.99
AB 87-92.99	BC 77 – 82.99	CD 67 – 72.99	F 0 – 61.99

*Students must have an exam average of 62 or greater to pass the course.

If you are having difficulty with any of the course material, have questions regarding your performance in the course, or have any related concerns, please drop by office hours or email us to set up a time to meet with either me or the TA. We will not discuss grades over email.

Assignments

Homework (Canvas Quizzes): You may attempt each homework up to 3 times. The additional attempts are optional – only your highest score counts. If you repeat the homework, you must repeat the entire assignment and information/questions may change with each attempt (economics is about trade-offs 😊). You may save your progress and come back to it at a later time. Solutions are posted to Canvas within 72 hours of the deadline.

Activities: Activities connect course content with real world applications. Activities are completed using a template and submitted through Gradescope (linked to Canvas). Activities are graded

using the Activity Rubric on Canvas. Please bring completed activities to class for discussion. All external sources beyond those mentioned in the activity should be cited; students should refrain from copying information directly from other sources.

In Class Participation (iClicker Cloud)

You will regularly use iClicker Cloud – accessed through an app or website -- to answer questions in class. We will do a trial run the first day of class (Tues., Aug. 29th) and officially begin iClicker in class on Thursday, Aug. 31st, 2023 (see [these instructions](#) to create your iClicker account -- make sure to sign in through the MTU campus portal). Each student is responsible for keeping track of the correct answers to iClicker questions in class; the iClicker website/app can also be used for this purpose (it includes a screenshot of each question, your answer, and the correct answer).

Your iClicker grade is based on participation, but each correct answer earns 0.05 bonus points. Participation points each day hinge on being physically present in the classroom, answering at least 75% of questions, and correctly answering any screening questions. Efforts to answer iClicker questions while not physically present in class is an academic integrity issue so please don't do it. I will post official iClicker grades to Canvas each week throughout the semester (they may differ from those in the iClicker app/website).

If you answer at least 73% of iClicker questions throughout the semester you earn full credit (100 points), 50-73% of questions earns half credit (50 points), and less than 50% of questions earns no credit (0 points). This grading system intentionally allows for several unexcused absences (2-3 weeks) without penalty. If you have an excused absence, iClicker points can be made up by watching the full recorded lecture for the day(s) you missed within one week of returning to campus (note: I adjust iClicker grades for excused absences at the end of the semester).

Exams

Exams are not explicitly comprehensive, but the course content builds on itself. There will be three midterms:

Exam 1:	Thursday, October 5 th	(Chapters 1 and 2)
Exam 2:	Thursday, November 9 th	(Chapters 3, 4, 5, and 6)
Exam 3:	TBD – scheduled during finals week	(Chapters 7, 8 and 9)

Students need to understand the material very well to finish exams in the allotted time. I will answer questions related to course content up to 12 hours before each exam.

Attendance

If you are sick or have been exposed to COVID-19, please stay home. Otherwise, I expect you to attend class regularly, arrive on time, participate in class discussions, ask questions, respect others, and complete graded assignments by the specified deadline. Illness, family emergencies, etc. are unfortunately a part of life and you may miss a few classes. Please watch the recorded lecture to catch up on course content (posted to the Huskycast tab on Canvas after class) -- you

are responsible for all announcements, assignments, and material presented in class and on Canvas, even if you are absent.

Please note that if you or your use of electronics becomes distracting to others, you may be asked to sit at the back of the classroom or leave class for the day.

Excused Absences

Please send all documentation for excused absences, 3+ consecutive days or if your absence conflicts with an exam, to the Dean of Students Office. If your excused absence impacts your ability to complete coursework on time, please reach out to me directly (email is easiest) to discuss alternative arrangements/deadlines.

An excused absence is required to take a makeup exam (which will be after the original exam date). If you know in advance that you will miss an exam for a university sanctioned reason, please notify me at least one week in advance (class field trips, athletic travel, etc.). If you have an excused absence, you can make up iClicker points by watching the full recorded lecture for the day(s) you missed within one week of returning to campus (note: I adjust iClicker grades for excused absences at the end of the semester).

Late Assignments

Each student may submit one unexcused, late assignment within 48 hours of the deadline and earn full credit. Additional unexcused late assignments earn zero points. All assignments are posted well in advance and can all be completed early. If you are only excused for the date an assignment is due, you are still expected to submit the assignment on time.

Academic Integrity

Ethical behavior is a pillar of the business world; academic dishonesty and cheating are not tolerated – don't do it (this includes assisting others with academic dishonesty efforts). You may work with other students on homework and activities (I encourage you to do so), but you are responsible for all answers and work submitted in your name (i.e. you can explain and provide appropriate work for how you reached each answer you submit). You should not directly copy from authorized resources and you must cite any authorized resources used on graded assignments. You must complete each exam individually with no help from anyone else or unauthorized resources (i.e. Chegg, Course Hero, etc.). Last, you should only answer iClicker questions if you are present in the classroom (you can miss several classes without penalty).

All students are expected to follow the university's [Academic Integrity Policy](#). Any violation of these policies, and other reasonable standards of conduct, will be subject to disciplinary action, including referral to the Office of Academic and Community Conduct. Please note that uploading course content to other websites without my permission is also a violation of these standards. The first offense will result in a score of zero for that assignment; any additional offense may result in a grade of zero for the specific course component or a failing grade for the entire course. All bonus points are forfeited in the event of academic dishonesty.

University Policies

Student work products may be used for university, program, or course assessment. All work used for assessment purposes will not include any individual student identification. Student work products may be used to assess University Learning Goal #4: Critical and Creative Thinking using this rubric: <https://www.mtu.edu/assessment/documents/university-goals/goal-4-rubric.pdf>.

Michigan Tech is committed to advancing the mental health and well-being of its students. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, contact Counseling Services at 906-487-2538 or visit the [Counseling Services website](#) for help or to find additional resources.

Michigan Tech has standard policies on academic misconduct and complies with all federal and state laws and regulations regarding discrimination, including the Americans with Disabilities Act of 1990. For more information about reasonable accommodations or equal access to education or services at Michigan Tech, please call the Dean of Students Office at 906-487-2212. More information is also available from the [Syllabi Policies webpage](#). Please provide me with notification of needed accommodations no later than five business days prior to the use of the accommodations.

Course Outline

The tentative course outline is below; see Canvas for a more detailed course schedule. Please note that I do my best to set course content, assignments, deadlines, etc. at the start of the semester, but all are subject to change pending course progress. Any changes will be communicated to students both in person and via Canvas.

Chapter 1: Time Value of Money	Weeks 1 - 3
Chapter 2: Nominal and Effective Interest Rates	Weeks 4 - 5
Chapter 3/6: Decision Methods & Project Evaluation*	Weeks 6 - 7
Chapter 4: Cash Flow Statements	Week 8
Chapter 5: Depreciation and Taxes	Weeks 9 - 10
Chapter 7: Capital Budgeting, Independent Projects	Week 11
Chapter 8: Mutually Exclusive Decisions	Weeks 12 - 13
Chapter 9: The Cost of Capital Funds	Weeks 13 - 14
Personal Budgeting & Financial Literacy	Week 14
*Chapters 3 & 6 include similar content so we will cover them simultaneously, then proceed with Chapters 4, 5, and 7.	