Recommended Business Economics Electives

Note: ANY upper division Economics course will satisfy the Business Economics elective requirement and will deepen your economics knowledge. Some economics classes have deeper connections with business and we want to be sure you know why a Business Economics major should consider these classes. We have repeated the prerequisites below since you must meet all prerequisites before you can take Economics classes.

**Econ 100C: Intermediate Microeconomics, part C**
This course covers tools for pricing and strategic operations that are essential for modern business decision-making. Managers need to know how to price their firm's products in order to maximize profits; how to gauge market conditions and adjust prices and output in response; how to compete strategically against sophisticated rival firms; and how to recognize settings where private markets may break down (and the effects of potential government interventions in these cases). Econ 100C builds this modern business economics toolkit by covering data-based pricing approaches for monopoly and oligopoly; price discrimination and customization; game theory; markets with incomplete information; and externalities and public goods. ***Prerequisites:*** Econ 100B.

**Econ 105: Industrial Organization and Firm Strategy**
Understanding how markets and firms operate beyond perfectly competitive settings, and the interaction with government policy is crucial for business owners and managers. Economics 105 builds on oligopoly models to understand crucial workings of markets. For example, here are some questions. Is having many firms necessary for competition to emerge? How do firms avoid price wars that reduce their margins? Why is it the case that in some industries there is a large number of competitors while in others there are few? Some industry practices raise the concern of antitrust authorities. One extreme constitutes collusive agreements, which are considered felonies and where the burden of the proof rests with the antitrust authority. The class studies when collusive agreements are likely to succeed and fail, when price wars emerge and what are the fingerprints that antitrust authorities look for in observable data to evaluate whether collusion is taking place. Another extreme corresponds to horizontal and vertical mergers. In this case, sizable firms that intend to merge need to file for approval from antitrust authorities. When are such cases likely to be approved? When are authorities going to be concerned with such agreements? The class will study the economic impact of mergers from the perspective of firms in the industry and authorities. ***Prerequisites:*** Econ 100C.

**Econ 120: Econometrics, part C**
This course covers contemporary methods for causal inference. The goal of causal inference is to determine the causes and effects of interventions, policies, and treatments — for example, the effect of increasing the minimum wage on employment, the impact of increasing the education level on earnings, and the effect of health insurance on health and financial strain. The course introduces students to the concepts and methods commonly used in applied economic research, business, and public policy to identify and estimate causal effects. The main topics are the causal interpretation of regression estimates, experiments and quasi-experiments, instrumental variable regression, panel data methods, difference-in-differences, and regression discontinuity designs. The course will enable students to provide insightful and enlightening answers to many interesting questions of causation. It will also equip students with the knowledge and tools to estimate the fundamental relationships in economics, such as demand and supply. The course is particularly recommended for students who plan to pursue a quantitative career in business analytics, policy evaluation, quantitative economics, etc. or pursue a graduate degree in related fields. ***Prerequisites:*** Econ 120B.

**Econ 131: Economics of the Environment**
Businesses in virtually all industries are starting to make environmental responsibility a core goal. Understanding the economics of environmental problems is fundamental to accomplishing these goals in a meaningful and efficient way. Separately, many businesses, especially those in the energy sector, are subject to direct environmental regulation. This course teaches students about valuation and efficiency in the context of the environment broadly, and also about the way firms interact with regulation and policy goals. ***Prerequisites:*** ECON 2 or 100A.

**Econ 137: Corruption**
The ability to lead with integrity is at a premium in today's business environment, particularly in international settings. This course examines the pervasive issue of corruption in emerging markets: how and why it occurs, what the consequences are, and what practical steps leaders can take to combat it. The class will enable students to analyze corruption within a specific institutional setting, outlining the specific risks, their consequences, and pragmatic plans for gathering information and taking action, with an emphasis on mapping rigorous research on the topic into practicable real-world solutions. ***Prerequisites:*** ECON 100C and 120C.

**Econ 140: Economics of Health Producers**
Health care firms confront a rich set of challenges as they interact with patients, contract with governments, grapple with regulations, and innovate to solve social problems. Whether we are in normal times or confronting a global pandemic, health care impacts all corners of the economy. This makes a working knowledge of the health sector a valuable asset for business leaders in all industries. This course provides an introduction to the supply side of the health sector. In the class, we analyze contracting between physicians and insurers, the economics of the hospital sector, and the economics of the pharmaceutical sector. The hospital sector provides an opportunity to assess the legal, practical, and economic distinctions between for-profit and non-profit firms. The pharmaceutical sector provides an opportunity to analyze innovation policy and intellectual property law. The course ties these issues together to develop principles for designing and managing health systems. ***Prerequistes:*** ECON 2 or 100B.