

AGEC 3003
ECONOMIC ANALYSIS IN AGRICULTURAL BUSINESS
Department of Agricultural Economics and Agribusiness
Louisiana State University and A&M College
Fall 2017 Syllabus

INSTRUCTOR: Dr. Trina Biswas
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Please put "AGEC 3003" in the subject line of your email to the Instructor.

LECTURES:

MWF - 12:30 - 1:20 PM
Room 267 WOODIN HALL

OFFICE HOURS:

1:30-2:30 p.m., Wednesday and/or by appointment.

REQUIRED TEXT:

Microeconomics, 8th Edition by Jeffrey M. Perloff. Copyright Pearson Addison Wesley, New York, NY.

Additional readings and materials will be assigned throughout the semester. Copies of this supplemental course material will be made available online via the MyLSU web portal.

PREREQUISITES:

The prerequisites for this course are "C" or better in AGEC 2003 and Econ 2030, or Econ 2000 and 2010; and MATH 1431 (or equivalents). The course is designed to build upon introductory microeconomics, and we will use some basic calculus, so if you have not taken these two courses you should consider rescheduling the course after completion of the prerequisites.

COURSE DESCRIPTION:

Applications of graphical, mathematical, and computer-based microeconomic analysis to problems in the production and marketing of food and agricultural products.

COURSE OBJECTIVES:

The overall objective of the course is to develop your understanding and appreciation for how businesses, policy makers, and individuals can use microeconomic theory to analyze and resolve economic problems in the food and agricultural sector.

Upon completion of the course, you should:

- 1) Be proficient in graphical and mathematical analysis used in intermediate microeconomic theory; and,
- 2) Be able to use economics to analyze and predict economic behavior of consumers and producers, and the economic performance of markets, within the food and agricultural sector (i.e., be able to think like an economist).

GRADING POLICY:

The grade obtained in the course will be determined by your performance on class participation, quizzes, homeworks, three exams, and a comprehensive final exam. The relative weights are as follows:

	<u>% of Grade</u>
Class Attendance/Participation	5
Homework	10
Quizzes (Drop the lowest)	10
Three exams (Drop the lowest) 100 pts each x 2 exams	50
Cumulative Final Exam	<u>25</u>
	100

The final grading scale is as follows:

97 or above	A+
94-96.4	A
90-93.4	A-
87-89.4	B+
84-86.4	B
80-83.4	B-
77-79.4	C+
74-76.4	C
70-73.4	C-
67-69.4	D+
64-66.4	D
60-63.4	D-
Below 60	F

EXAMS:

Exam dates for the three midterm examinations and a final are given below. Midterm examination dates mentioned below are tentative and subject to change. In case we change the dates, the new dates will be announced at least two weeks prior to the day the exam will be given and will take precedence over any dates from prior information. The new date will be announced in class/emailed and will be posted on Moodle.

The date of the final examination is already set by the university and will be held on the date mentioned below (All students must take the final, sorry, no exceptions).

Midterm 1: Monday, September 18, 12:30 - 1:20 PM (tentative)

Midterm 2: Wednesday, October 25, 12:30 - 1:20 PM (tentative)

Midterm 3: Monday, November 20 12:30 - 1:20 PM (tentative)

Final Exam: Thursday, December 7, 7:30 - 9:30 AM

Final Exam schedule can be accessed at:

<https://sites01.lsu.edu/wp/registraroffice/files/2017/06/2017-Fall-Schedule-Booklet-Revised-6-7.pdf#page=8>

Academic calendar for 2017-2018 can be accessed at:

<http://catalog.lsu.edu/content.php?catoid=16&navoid=1257>

Notes Regarding Exams/Quizzes/Homework and student responsibilities:

- (1) All reading assignments, homework assignments, and material presented in class, as well as homework and exam grades, will be posted on Moodle. It is the responsibility of the student to access course material on Moodle on a regular basis to keep up to date with assignments and other course information. All students in this course will be required to use their MyLSU account. Your MyLSU e-mail address will be the primary method of communication.

Please note that the LSU IT Help Desk can be accessed at:

<http://itsweb.lsu.edu/USS/help%20desk/item2424.html>.

- (2) Class attendance is required to accomplish course objectives and achieve satisfactory performance on exams. Students are expected to be on time for class and to stay until class has ended. Students are expected to read assigned course material and are expected to be responsible for that material on exams. Please do not carry on personal conversations during class.

- (3) Students are responsible for becoming familiar with the Code of Student Conduct regarding academic misconduct. Students suspected of acts of cheating and/or plagiarism will be reported to the Dean of Students.
- (4) It is expected that students have read the assigned chapters or pages prior to class for the background necessary to properly participate in the discussion and think critically about the concepts addressed. As a general policy, for each hour you are in class, you should plan to spend at least two hours preparing for the next class. Since this course is for three credit hours, you should expect to spend around six hours outside of class each week reading or writing assignments for the class.
- (5) Only absences deemed by the Instructor in accordance with LSU PS-22 will be excused. The student is required to e-mail the Instructor prior to missing class. Written documentation should be provided prior to the next class meeting. Documentation provided to the Instructor for an absence past 48 hours of the missed class and/or assignment will not be accepted. Absences for routine illnesses and work will not be excused. If you have a situation which will result in you missing an excessive amount of class, contact the Instructor immediately. Documentation will be required.
- (6) Please do not leave during class unless you have cleared this with the instructor ahead of time. Please arrive on time and prepared.
- (7) Cell phones must be turned off at all times during class. All electronic devices including pagers, instant messaging, sms messaging, and other e-mail/text related devices must be turned off and stowed during exams. The instructor reserves the right to require you to close laptops when it appears its use is disruptive.
- (8) Students are expected to meet all announced deadlines for assignments. Dates for midterm exams in the syllabus are tentative and subject to change. Announcements regarding deadlines for homeworks and dates for exams will be announced in class and take precedence over any dates from prior information.
- (9) Exams will be a combination of true/false, multiple choice questions, and short answer. In-class quizzes and pop-quizzes will be given during the semester. No makeup exams or quizzes/homework will be given. The lowest grade of the three in-class exams/quizzes will be dropped. Any missed examination/quiz will be used as the drop grade. If a second exam/quiz is missed, the exam will be recorded as a zero.
- (10) Students entering the lecture hall after the first student has turned in his/her quiz or exam will not be allowed to take the quiz or exam.

- (11) Neither the final exam nor the homework sets may be used as exam drop grades.
- (12) Students will be required to bring their own scantrons (small) and pencils for exams and quizzes. Scantrons and pencils will not be provided by the instructor.
- (13) If calculators are required during a quiz or an exam, students must provide their own calculator that is not an application on a multifunctional electronic communication device. The use of programmable calculators and cellphones are strictly prohibited on all exams.
- (14) Several homework problem exercises will be assigned during the semester. All homework assigned will count towards the final course grade. Homework must be turned in by the specified due date (in-person) and not accepted via e-mail. Homework problem sets are due at the beginning of class on the due date. Homework sets turned in after the beginning of class will be considered late. Grades on late homework problem sets will be reduced 50%. Late homework problem sets will not be accepted after the beginning of class on the next day this class meets.
- (15) While students are encouraged to work together on homework problem sets, copied homework assignments will not be accepted. Each student must prepare his or her own assignment using his or her own words.
- (16) In-class assignments cannot be made up and will be excused only in cases where a university-approved excused absence can be documented. You must provide documentation for the excused absence one week before or after the date of the exam you missed.

IMPORTANT POLICIES AND PROCEDURES (please read these carefully)

- (1) **Academic Integrity and Academic Misconduct:** Students are required to know and abide by Louisiana State University's Policy on Academic Integrity and Academic Misconduct, which prohibits dishonesty in academic work. For more information, please visit the webpage "LSU Code of Student Conduct", <http://students.lsu.edu/saa/students/code>.
- (2) **Disability Statement:** The University is committed to making reasonable efforts to assist individuals with disabilities in their efforts to avail themselves of its services and programs. To this end, Louisiana State University will provide reasonable accommodations for persons with documented qualifying disabilities. If you have a disability and feel you need accommodations in this course, you must present a letter to me from Disability Services (located in 115 Johnston Hall) indicating the existence of a disability and the suggested accommodations <http://students.lsu.edu/disability>.

(3) **Diversity Statement:** Diversity is fundamental to LSU's mission and the University is committed to creating and maintaining a living and learning environment that embraces individual differences. Cultural inclusion is of highest priority. LSU recognizes that achieving national prominence depends on the human spirit, participation, and dedicated work of the entire University community. Flagship: 2020 will be realized by bringing together diverse ideas, perspectives, skills, and talents of the nation's pre-eminent scholars, brightest students, and leading higher education professionals. Through its Commitment to Community, LSU strives to create an inclusive, respectful, intellectually challenging climate that embraces individual differences in race, ethnicity, national origin, gender, sexual orientation, gender identity/expression, age, spirituality, socio-economic status, disability, family status, experiences, opinions, and ideas. LSU proactively cultivates and sustains a campus environment that values open dialogue, cooperation, shared responsibility, mutual respect, and cultural competence– the driving forces that enrich and enhance cutting edge research, first-rate teaching, and engaging community outreach activities
<http://www.lsu.edu/diversity/about-us/diversity-statement.php>.

(4) **LSU Cares:** LSU Cares is a university initiative dedicated to the well-being of the students and promotes a community that cares about each other. LSU Cares works with the students to empower them to use campus and community resources. The purpose of LSU Cares is to provide an online reporting portal for students, faculty, staff, and parents/families to report concerns in an appropriate way. If you need assistance from LSU Cares please check the following link: <http://www.lsu.edu/students/saa/lsu-cares/index.php>

COURSE OUTLINE:

Chapter 1: Introduction to Microeconomics

Making Trade-offs: The Allocation of Scarce Resources
Models
Use of Economic Models

Chapter 2: Supply and Demand

Demand
Supply
Market Equilibrium
Shocking the Equilibrium
Analysis of Government Intervention

Chapter 3: Applying the Supply and Demand Model

The Shapes of Supply and Demand Matter
Price Elasticity of Demand and Supply
Analysis of Sales Taxes

The Theory of Consumer Behavior

Chapter 4: Understanding Consumer Choice

The Foundations of Consumer Preferences
Utility Functions and Indifference Curves
The Budget Constraint
Constrained Consumer Choice

Chapter 5: Applying Consumer Theory

Deriving Demand Curves
Changes in Income, Prices, and the Cost of Living
Deriving Labor Supply Curves

The Theory of Firm Behavior

Chapter 6: Firms and Production

Production Functions
Short Run Production: One Variable and One Fixed Input
Long Run Production: Two Variable Inputs
Returns to Scale
Productivity and Technical Change

Chapter 7: Costs

Measuring Costs
Short Run Costs
Long Run Costs
Lower Costs in the Long Run

The Perfectly Competitive Model

Chapter 8: Competitive Firms and Markets

Competition
Profit Maximization
Competition in the Short Run
Competition in the Long Run

Chapter 9: Applying the Competitive Model

Zero Profit
Consumer & Producer Welfare
Policies that Shift Supply & Demand
Free Trade Vs Tariff/Quota

Imperfect Competition

Chapter 11: Monopoly

Monopoly Profit Maximization
Market Power
Causes of Monopoly
Market Failure
Government Intervention

Chapter 12: Price & Advertising

Conditions for Price Discrimination
Perfect Price Discrimination
Group Price Discrimination
Nonlinear Price Discrimination
Two-part Pricing
Advertising

Game Theory

Chapter 14: Game Theory

Static Games
Repeated Dynamic Games
Sequential Dynamic Games
Auctions

***Note:** Topics might be added or dropped at the discretion of the instructor.*

SOME ADVICE FOR SUCCESS IN AGECE 3003:

- (1) It's not a good idea to try to simply memorize the graphs we'll be covering in this class. This makes learning economics too difficult! Learn the concepts the graphs are showing, which in most cases are simply representative of phenomena we observe in our everyday lives. Once you understand the underlying concepts, the graphs will be much easier to grasp.
- (2) Come to class every day; never miss. The content in AGECE 3003 is not extremely difficult, but if you think you can master the material only from the book and/or another student's notes, think again.
- (3) Only about 1/2 of the notes for this course will be on power-point slides, so don't be misled by this simple introductory lecture. Most lectures will be directly from the board. Take good notes. The best way to learn economic concepts is to draw the graphs, so we'll be doing this together in class.
- (4) Meet someone in class today and make a pact with one another that you'll both come to class every day and take good, thorough notes. Then, if you have to miss class for any reason, you can get the notes from that individual.
- (5) You would be well-served to purchase graph paper and bring it to class. This will help you to draw your graphs that represent the concepts I am teaching.
- (6) If you don't understand something we've discussed in class and the book isn't clarifying things, come by my office – I'm more than happy to help if you're putting forth effort.