

UMBC UGC New Course Request: AGNG 351: Business Decision Making for Aging Services

Date Submitted: 10/16/11

Proposed Effective Date: Spring 12

	name	email	phone	dept
dept chair	Judah Ronch	ronch@umbc.edu	3-5647	Erickson
contact	Michelle Howell	mhowell@umbc.edu	3-5607	Erickson

COURSE INFORMATION:

course number(s)	AGNG 351
formal title	Business Decision Making for Aging Services
transcript title (≤24c)	Business Decision Making
prerequisite	AGNG 200 or equivalent
credits	3
max. repeat credits	0
grading method(s)	<input checked="" type="checkbox"/> Reg (A-F) <input type="checkbox"/> Audit <input type="checkbox"/> Pass-Fail

PROPOSED CATALOG DESCRIPTION:

The course develops a knowledge base sufficient to allow students to both appreciate and become conversant with the application of basic individual and business-related decision making skills to issues facing all individuals especially older adults as well as organizations engaged in the provision of aging services.

It surveys a range of topics including economic behavior (motivation), marginal analysis, the market forces of supply & demand, illustrations of market failure, the mechanics of profit maximization, the time value of money and personal financial strategies to cope with the predicted sea changes resulting from the aging of the population. Only a very basic math background is required.

RATIONALE FOR NEW COURSE:

The faculty has been advised by aging service employers that they would like to see our graduates have some exposure to Managerial Economics with a strong emphasis on applications to older adults and to the organizations that serve them. Therefore, we have created this course to develop a knowledge base sufficient to allow the student to both appreciate and become conversant with the application of basic microeconomic theory without emphasizing math. We will use these basic tools of the economist and business person to study issues facing all individuals including older adults as well as organizations engaged in the provision of aging services.

ATTACH COURSE OUTLINE:

AGNG 351 Course Syllabus

Overview:

The faculty of the Erickson School has been advised by aging service employers that they value having our graduates exposed to applied concepts of Managerial Economics. Therefore, we have created this course to develop a knowledge base sufficient to allow the student to both appreciate and become conversant with the application of basic microeconomic theory to issues affecting older adults and the organizations that serve them. The course is designed in such a way that only very basic math (arithmetic) is used.

It surveys a range of topics including economic behavior (motivation), marginal analysis, the market forces of supply & demand, illustrations of market failure, the mechanics of profit maximization, the time value of money and personal financial strategies to cope with the predicted sea changes resulting from the aging of the population. A series of examples involving issues facing older adults and aging services will be used to practically illustrate basic concepts.

Course Objectives:

By the end of the course students will be able to:

- Understand and be conversant using the nomenclature of business decision making
- Master the concepts of marginal analysis, opportunity costs and evaluation of costs and benefits of exchange
- Study the operation of markets learning the operation of demand, supply, stable and unstable market equilibria
- Comprehend the meaning and importance of consumer and producer surplus
- Discuss and debate the nature, extent and consequences of government interference in the marketplace
- Understand the mechanics and components of optimizing profit and accepting temporary periods of loss
- Apply economic theory to issues related to compensation of resources including capital and labor
- Understand and apply the concepts of the time value of money to business decisions
- Study a range of financial issues and techniques to better plan and orchestrate decision making for the individual and for organizations
- Analyze and discuss several case studies that illustrate the application of course content to business decision making
- Take a mid-term and final exam

Text:

Dr. Gribbin has drafted a text written in conversational style. No equations are used. Students will be asked to pay the nominal fee associated with the copying of the document.

Supplemental readings will be selected from the following:

1. Current events as reported in the nation's printed media – national and regional newspapers and periodicals like The Economist and Time
2. Case Studies illustrating the application of theoretical constructs. Case studies on “Economic and Accounting Costs: A Hypothetical Case Study”, “The Economics of Health Care”, “Is Discrimination Responsible for the Earnings Differential between Men & Women” (to be used as a lead in to a discussion about earnings differentials between age cohorts) will be taken from the Economic textbook: Microeconomics, Private & Public Choice by James D. Gwartney & Richard L. Stroup, 10th edition
3. Practical economic/empirical illustrations relative to issues of interest to seniors and the aging service sector taken from the popular text Freakonomics – Revised & Expanded Edition, by Steven D. Levitt and Stephen J. Dubner

Relative journals to be considered are:

1. Applied Economics
2. “Retirement & Wealth Relationships: Meta Analysis and SEM” in the September 2011 issue of Research on Aging
3. Journal of Financial Economics
4. Journal of Accounting & Economics
5. “A Dimensional Analysis of Caregiver Burden among Spouses and Adult Children” found in The Gerontologist, June 2011
6. “Why do the Elderly Save? The Role of Medical Expenses” found in the Journal of Political Economy, 2010, Volume 118, Issue 1

Course Outline:

Week 1: Fundamental Concepts & Terminology

– marginal analysis

Week 2: Opportunity costs, private property, subjective and objective valuation of goods and services, trade

Week 3: The Operation of the Markets

– The law of demand, consumer surplus and elasticity of demand curves

Week 4: The law of supply, the consequences of applying varying interpretations of profit (accountants versus economists), producer surplus

Week 5: elasticity of supply, market equilibrium, free markets and social outcomes

Week 6: Government Interference in the Market Place

- Price Ceilings, Price Floors, the impact of a tax

Week 7: When free markets fail to deliver a socially optimal outcome

- external costs and benefits, how demand curves are calculated and used in the real world

Week 8: Mid-term exam

Week 9: Profit Maximizing Behavior by Firms / Organizations

- understanding cost relationships, measuring marginal revenue

Week 10: calculating profits – profit maximization and loss minimization, short-run & long run considerations, the notion of loss leaders, and product lifespan

Week 11: payment to resources – application of economic theory to resources in aging service industries

Week 12: The time value of money – present value, future value and their importance to individual and organizational decision making

Weeks 13 & 14: Planning Personal Financial Strategies to Cope with the Predicted Sea Changes Resulting from the Aging of the Population.

Week 15: Case Studies in Aging Services Decision Making

Week 16: Final Exam