Economics and Business

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Description of the Major. The economics and business department equips students to serve and lead in dynamic settings with a major that is both distinctively broad by integrating the essential components of economics and business, and deeply engaging, by challenging students to address contemporary issues with critical thinking, personal conviction, and a Christian perspective.

Distinctive Features. The department of economics and business offers a rigorous undergraduate curriculum that explicitly integrates a decidedly Christian perspective to a broad range of concepts and terminology from both the economics and business fields of study. The college and faculty are committed to the classic liberal arts by educating the whole person for a lifetime of learning and growth (personally, spiritually, and professionally). Many institutions offer separate degrees in economics or business. Westmont intentionally blends these academic fields to demonstrate the timeless synergies between the core tenets of economic theory, and the functional disciplines of business, such that models, graphs, terminology, constructs, and simulations are explored from the integrative perspectives of both the economist and the business leader or manager.

Career Choices. Study of the indivisible interaction of economics and business within a liberal arts framework is designed specifically for full-time, residential, undergraduate students, grounding them in the noblest competencies related to all types of economic activity and enterprise development, in both public and private sectors, including but not limited to: critical thinking, problem-solving, quantitative analysis, writing, speaking, original inquiry, and decision-making. The department is not a business school within a university, and does not offer majors such as: accounting, economics, finance, and marketing. The Wall Street Journal and other publications often reports that a broad, interdisciplinary liberal arts education is preferred for future CEOs by blending knowledge of history, culture, philosophy, and economic policy, with international experience and problem-solving skills.

Requirements for a Major: 49 units

During the first two years, students complete 20 units of lower-division introductory courses:

- EB 003 Principles of Accounting (4)
- EB 011 Principles of Macroeconomics (4)
- EB 012 Principles of Microeconomics (4)
- EB 020 Research and Forecasting (4) or EB 030 Principles of Corporate Finance (4)
- MA 005 Introduction to Statistics (4)
During the final two years, students take 9 units of required upper-division courses:

- EB 102 Intermediate Microeconomics (4) or EB 137 Intermediate Macroeconomics (4)
- EB 180 Principles of Management (4)
- EB 195 Senior Seminar (1)

Students choose 20 units of elective courses (five 4-unit courses) including but not limited to the following courses:

- EB 103 History of Economic Thought (4)
- EB 104 World Poverty and Economic Development (4)
- EB 105 Business Law (4)
- EB 106 Environmental and Natural Resource Economics (4)
- EB 107 Business at the Bottom of the Pyramid (4)
- EB 116 Antitrust and Regulatory Environment of Business (4)
- EB 120 American Economic History (4)
- EB 125 Topics in Accounting (4)
- EB 130 Financial Statement Analysis and Earnings Management (4)
- EB 131 Corporate Finance (4)
- EB 132 Investments and Portfolio Management (4)
- EB 135 Money, Banking and Financial Markets (4)
- EB 138 Applied Management Science (4)
- EB 140 Seminar in Executive Leadership (4)
- EB 150 Topics in Business (4)
- EB 160 Principles of Marketing (4)
- EB 184 Globalization (4)
- EB 190 Practicum (2-4)
- EB 191 Entrepreneurship and New Venture Development (4)
- EB 192 Change and Innovation (4)
- EB 193 Applied Research in Economics and Business (4)

Electives may be taken in any combination, based upon individual interests, allowing students to develop an emphasis such as: economics, entrepreneurship and innovation, accounting and finance, marketing and management, pre-law or international business. Students may earn 12 units of upper-division electives in the Europe-based International Business Institute, which includes visits to eight countries, and presentations by management and senior executives at venues such as: Nestle, Goldman Sachs, Finland Bank, Daimler-Benz, and the British Parliament. Students may earn up to 9 units of upper-division electives studying for one semester, for example, at either King’s College London or The American University of Paris. In London, EB students enroll in the Management Department for three upper-division courses (250-399 level) consisting of one upper-division required course in either intermediate economics or management, or applied management science, plus two upper-division electives, and one course in a foreign language. Study in London is open to Westmont students with junior standing for Fall or Spring; those with senior standing can attend Fall term only. In Paris, EB students enroll in the Economics Department and/or the
International Business Administration Department for three upper-division courses (300-400 level) consisting of one upper-division required course in intermediate economics, plus two upper-division economics electives, OR one upper-division required course in Quantitative Decision-Making, plus two upper-division business electives. In addition, students in Paris take one course in French. Other off-campus programs for economics and business majors include the Westmont in San Francisco semester or the Washington, D.C. semester, with internship placements in an economics- or business-related organization or firm.

Many students complete a second major or minor in: mathematics, foreign language, philosophy, communication studies, or computer science.

**Requirements for a Minor: 24 units**

**Required Lower-Division Courses: 12 units**

- EB 003 Principles of Accounting (4)
- EB 011 Principles of Macroeconomics (4)
- EB 012 Principles of Microeconomics (4)

**Required Three Upper-Division Courses: 12 units**

Upper-division courses focus on individual inquiry and research. Using both qualitative and quantitative data and methods, faculty emphasize careful examination of issues, the formulation of hypotheses, and interpretation of research results, as well as written and oral communication, including assessment and dialogue with peers and faculty. Classes use debates, presentations, case studies, and team-projects to stimulate diverse ideas and perspectives. Students are strongly encouraged to complete a practicum with a local company or organization to gain applied experience and strengthen competencies toward career ambitions. The final semester includes a comprehensive, integrated seminar covering a broad range of economics and business topics.

**Lower-Division Course Descriptions**

**EB 003 Principles of Accounting** (4) An introduction to accounting and construction of financial statements developed by basic concepts and techniques used in accounting.

**EB 006 Survey of Principles of Economics** (2) Survey of micro- and macro-economic principles, applications, economic systems, and international trade and development. (Not open to EB majors and minors.)

**EB 009 Society, Morality, and Enterprise** (4) An introduction to the philosophical perspectives, assumptions, competing interests and moral issues at the intersection of enterprise and society. The course progresses with an emphasis on reflective and critical evaluation of practical enterprise cases.

**EB 011 Principles of Macroeconomics** (4) An introduction to economic analysis with an emphasis on the dynamics of national income and monetary and fiscal policy.
EB 011H Principles of Macroeconomics: Honors (4) Prerequisite: By invitation only. An advanced section of Principles of Macroeconomics incorporating greater emphasis on oral reports, writing assignments, and more advanced readings with close supervision by the instructor. Special attention will be given to current economic policy issues.

EB 012 Principles of Microeconomics (4) An introduction to economic analysis with emphasis on the theory of firm and consumer behavior and the role of government in the microeconomy.

EB 012H Principles of Microeconomics: Honors (4) Prerequisite: By invitation only. An advanced section of Principles of Microeconomics incorporating greater emphasis on oral reports, writing assignments, and more advanced readings with close supervision by the instructor. Special attention will be given to current economic policy issues.

EB 020 Research and Forecasting (4) Develop a working knowledge of quantitative research and forecasting, including data types, methods, models, and analysis-interpretation; develop working knowledge of how to build curvilinear models and forecasts for companies, including pricing functions, demand curves, revenue, cost functions, and profitability. Emphasis is placed on using multivariate regression analysis and applied business calculus to examine a wide range of marginal analyses, and to develop proficiency building/using spreadsheets/macros and graphing functions.

EB 030 Principles of Corporate Finance (4) An introduction to corporate finance theory, working capital, debt and equity, capital budgeting, capital structure, financial analysis, mergers and acquisitions, leasing, and financial forecasting.

**Upper-Division Course Descriptions**

(All lower-division required courses must be completed before upper-division courses are undertaken. This requirement applies to both the major and minor.)

EB 102 Intermediate Microeconomics (4) Analysis of the price system as applied to consumer behavior, theory of the firm, product market structures, and resource markets. Includes the consideration of the competitive market process, rent-seeking, market failure, the economics of information, and principal-agent relationships.

EB 103 History of Economic Thought (4) (Alternate years) A study of the origins and development of economic thought, emphasizing its inter-relationship to other disciplines, especially the other social sciences and Christian theology. Examines the economic thought of the ancients and medieval scholastics, as well as the development of modern political economy associated with figures such as Adam Smith, Karl Marx, J.M. Keynes, and Joseph Schumpeter.
EB 104 World Poverty and Economic Development (4) Examination of the issues of world poverty and economic development including income distribution, capital formation, informality, law and corruption, international trade, foreign aid, globalization and multinationals, financial crises, population growth, gender issues, agriculture, and education. An emphasis is placed on the neoclassical economic principles and economic evidence that point to causes of poverty and the path to economic development.

EB 105 Business Law (4) Develops critical thinking skills with respect to the law and the business world from an interdisciplinary perspective as diversity of thought is valued. Fosters an active intellectual engagement with business legal questions in our contemporary society through an enhanced understanding of legal terminology, the judicial system and how it applies to business in particular, and when it is time to seek legal advice and take preventative law steps. Topics covered include: legal rights and their enforcement in the civil and criminal setting; contract law; real property and personal property; sales and negotiable instruments; commercial paper; creditors rights; bankruptcy; agency and principal law; corporations, partnerships and limited liability companies; cyber law; intellectual property law, and international laws.

EB 106 Environmental and Natural Resource Economics (4) Economic principles for understanding complex environmental and natural resource issues and providing a foundation for innovative policy solutions. Special attention is paid to the debate between the neoclassical and ecological economics perspectives.

EB 107 Business at the Bottom of the Pyramid (4) The fundamentals of business formation and strategy applied to some of the deepest needs in the world. This class travels to Haiti during the Spring semester to launch companies.

EB 116 Antitrust and Regulatory Environment of Business (4) The influence of government on business with special emphasis on market structure, industrial organization, and antitrust policy.

EB 120 American Economic History (4) Examines the development of the American economy, from the colonial period to the twenty-first century, in order to understand sources of economic growth. Special attention is given to understanding the significance of economic institutions in particular economic issues, including the Constitution, technological change, slavery, the changing roles of women and African-Americans in the economy, immigration, industrialization, warfare, increasing scope of government, the labor union movement, changes in antitrust and labor law, macroeconomic fluctuations, and the role of the U.S. in the global economy.

EB 125 Topics on Accounting (4) Prerequisite: EB 003 only. Advanced accounting topics will be selected from year to year, including income tax theory and practice, and intermediate accounting.

EB 130 Financial Statement Analysis and Earnings Management (4) Prerequisite: EB 003. Advanced financial statement analysis and earnings management of private and public corporations, including how Chief Financial Officers can use financial statements to alter stock prices, financing alternatives and liquidity.
EB 131 Corporate Financial Management (4) Corporate finance theory, working capital, debt and equity, capital budgeting, capital structure, financial analysis, mergers and acquisitions, leasing, and financial forecasting.

EB 132 Investments and Portfolio Management (4) Prerequisite: EB 131. Risk and return, stocks, bonds, options, commodity and index futures, real estate, mutual funds, technical and fundamental analysis, money markets, modern portfolio theory, arbitrage, and asset allocation.

EB 135 Money, Banking and Financial Markets (4) Analysis of the functioning and significance of money and capital markets, financial institutions, and financial instruments. Examines the role of financial innovation and government regulation in relationship to the U.S. banking industry, nondepository financial institutions, the Federal Reserve System, and the international financial system. Explores the significance of hedging instruments and regulatory intervention with respect to financial crises.


EB 138 Applied Management Science (4) Managerial use of microeconomic models and quantitative techniques including probability, optimization, forecasting, econometrics, linear programming, utility tests, production models, exponential and logarithmic functions, derivatives, and decisions under uncertainty.

EB 140 Seminar in Executive Leadership (4) A seminar format to study both leadership and management, including the roles of the Chief Executive Officer, the Board of Directors and the Top Management Teams and how they use various strategies to lead during times of uncertainty.

EB 150 Topics (2-4) Prerequisites: EB 011 and EB 012 only. Special topics in economics or business.

EB 160 Principles of Marketing (4) An exploration of the principles, concepts, strategy and tactics of marketing. This course provides an overview of marketing, understood as the empathetic art of building relationships between products and services and unique consumers, businesses and markets. Abstract theory and concepts are brought to life by case studies, examples and a major student-run auction event at the end of the semester. In these ways, this class will serve as a proving ground for thinking critically about marketing, creating and executing ideas, and grappling with the current trends, ethics and controversies of modern marketing.

EB 161 International Marketing (4) Theory and practice of international marketing management. (International Business Institute)

EB 170 Auditing (4) Concepts of auditing businesses, including analysis of financial statements and ethical considerations, with emphasis on the principles needed for the CPA examination.
EB 180 Principles of Management (4) An exploration of the responsibilities, opportunities and challenges of contemporary management. This course provides an overview of the central concepts of management, as segmented into the core functions, skills and processes of management theory, and brought to life by case studies that provide students the opportunity to grapple with practical management dilemmas. This class will serve as a training ground for thinking managerially, and for considering what it takes to be an excellent manager.

EB 184 Globalization: Economic History, Controversy, and Prospects (4) Explores the process of globalization, by means of examining various eras of globalization and possible lessons for modern controversies. Considers the growth of major European economies as economic powers and the interaction between protectionism and global economic integration. Special emphasis is placed on changes in international monetary standards and exchange-rate policy in Europe, Asia, and Latin America, the controversial roles of the World Bank, IMF, WTO, and multinational corporations in relation to trade, the environment and global poverty, and the development of the European Monetary Union. Prospects for the world economy and particular global economic challenges facing Christians are examined.

EB 185 International Trade and Finance (3) An introduction to analysis of international trade, international finance, and economic integration. (International Business Institute)

EB 186 Seminar on International Business Policy (3) The multinational firm in the world economy, international business strategy, organizational behavior, and international investment. On-site presentations by leaders of multinational and international firms. (International Business Institute)

EB 187 Comparative Economic Systems (3) Analytical and historical comparison of various major economic systems. (International Business Institute)

EB 189 Economics of the European Union (4) An examination of the development and current status of the European Union, including its history, central economic and political institutions, and inter-relationships among member economies. Analyzes current issues in industrial policy, social policy, trade policy, economics of a single currency, financial markets, and European political economy, and considers possible future directions for the European Union.

EB 190 Practicum (1-4) Prerequisite: one upper-division economics course. The department internship program is designed to help students answer two basic questions: 1) What type of career, and work environment, best fits me? and 2) What does it take to excel in such a role? These questions are answered most effectively by immersion in a local organization approximating the student’s ideal. This course offers a unique opportunity to ground one’s education, and personal ambitions, in a practical work environment. Some internship placements may also satisfy the GE requirement for Serving Society; Enacting Justice. See also IS 190 Urban Practicum under off-campus programs.

EB 191 Entrepreneurship and New Venture Development (4) The role and processes of new venture development applied to some of the world’s deepest needs. Each team develops an in-depth business plan to meet some of the deepest needs in the world, working closely with people on the ground. Each team then
sends their completed plan to the entity for implementation. Topics include: writing business plans, strategic management, venture capital, public offerings, and the unique legal and tax issues of small to medium enterprises. The course culminates with the Annual Westmont Collegiate Entrepreneurs Business Plan Competition (Thursday evening of last week of Fall classes in December), where each student venture team makes formal presentations to an outside panel of reviewers who are successful entrepreneurs, investment bankers, hedge fund managers, angel investors, and venture capitalists.

**EB 192 Change and Innovation (4)** Seminar style course focused on reading five or six contemporary authors as a follow-up to EB 191 (Entrepreneurship and New Venture Development). The emphasis is on industry analysis within various technology sectors of the economy. Defines the primary economic tenets and freedoms of the American private enterprise system, and the impacts (negative and positive) that emerging change and innovation have on the stability and viability of firms within specific industries. Topics include: types and forms of change, the role of process innovation, emergence of intellectual capital, the impact of IT, principles of strategic management in response to change, and ethics and issues of successful change and transition management. Includes outside field trips to high technology firms, conferences, and/or product expos. Also involves outside speakers who are running successful high-tech firms between San Diego, Los Angeles, the central coast and Silicon Valley.

**EB 193 Applied Research in Economics and Business (4)** Offered only within the Market Applications Program (MAP) senior year experience at E³ (Westmont’s Center for Entrepreneurship, Ethics, and Enterprise), the course engages students in primary joint research projects with EB faculty and other EB seniors, covering a wide range of topics in economics and business. Students apply various aspects of their previous EB coursework to the design, implementation, analysis, and publication of original research using both primary and secondary data with specific emphases on statistics, econometrics, multiple regression, calculus, and Excel-based forecast modeling. Results are published and distributed for public access through E³. Students also write and publish research summaries, policy editorials, and make presentations to various constituents with interest in the research findings.

**EB 195 Senior Seminar (1)** Prerequisites: Senior standing. Topics related to the transition to the world of economics and business.

**EB 198 Directed Research (2-4)** Students have the opportunity to complete a semester-long independent research project under the direction of one or more Economics and Business faculty, and may be awarded two, three, or four units of upper-division elective credit toward the major. The student proposes the research thesis and project completion agenda to the selected faculty member(s), and meets regularly during the semester as the project advances through the research stages. Upon completion, the student makes a formal presentation to the department faculty, which is announced as an open forum for students and faculty from across campus to attend.