

University of Arkansas
Department of Agricultural Economics and Agribusiness

AGEC 502(1): Applied Market Analysis
Spring 2008

Instructor: Mike Thomsen
Office: 226 Agriculture Building
Phone Number: 575-3932
E-mail Address: mthomsen@uark.edu

Office Hours: By Appointment Tuesdays 9:00-10:30

Course Objective:

1. Provide graduate level experience in the economic analysis of markets through the use of selected studies and empirical applications.

Policy:

Grades will be based on three to four short quizzes (70 percent) and homework assignments (30 percent). Depending on distribution of final scores, the instructor may adjust grade breakpoints downwards. Breakpoints will not be adjusted upwards.

Letter Grade	Your Percentage
A	93 – 100
A-	85 – 92
B+	80 – 84
B	75 – 79
B-	70 – 74
C+	67 – 69
C	63 – 66
C-	60 – 62
D+	57 – 59
D	53 – 56
D-	50 – 52
F	Below 50

Acceptance of your Work:

You are expected to bring hard copies of homework assignments to class on the day they are due.

Email is NOT an acceptable means of handing in homework assignments.

Work prepared for this course is expected to be completed neatly and professionally. This means that in most cases, homework assignments should be typed, and information should be presented neatly in professional looking tables, diagrams, or figures.

NO WORK WILL BE ACCEPTED AFTER THE FIFTH WEEK OF THE SPRING SEMESTER

Late Work:

An assignment must be turned in no later than the beginning of class on the day it is due. Otherwise, it will be considered late. Credit for late homework assignments will be reduced by 20 percent if turned in within one week after the due date and 30 percent if turned in later than one week after the due date.

Other Policies:

Academic Dishonesty:

Academic dishonesty of any form will not be tolerated and will be handled according to established University guidelines (See the Graduate School Catalog). You are welcome and encouraged to work together on homework assignments or course projects. **However, you should not simply copy the work of someone else and present it as your own.**

Students with Disabilities:

If you want to request reasonable accommodations for this class due to a disability, you must first register with the Center for Educational Access (CEA) and hand-deliver an official accommodation letter from the CEA to me after class or during office hours.

Inclement Weather:

Class will be cancelled whenever University offices are officially closed as a result of bad weather or whenever the University's inclement weather policy for employees is in effect. You should always use your own best judgment about the risks of coming to class during bad weather. If you are to miss class because of inclement weather, you must inform the instructor by phone or email, preferably before class begins.

Tentative Course Outline and Reading List
(Subject to modification if deemed necessary by the instructor)

Market Supply and Demand Concepts

- Demand and supply elasticities
- Primary and derived supply and demand
- Equilibrium models

Readings:

*Buse, R. C. 1958. "Total Elasticities—A Predictive Device." *Journal of Farm Economics* 40(4):881-91.

*Kinnucan, H. W., H. Xiao, and C. J. Hsia. 1996. "Welfare Implications of Increased US Beef Promotion." *Applied Economics* 28(10):1235-1243.

Piggot, R. R. 1992. "Some Old Truths Revisited." *Australian Journal of Agricultural Economics*. 36(2):117-140.

Market Efficiency

- Efficient market hypothesis
- Estimating the Impact or Value of Market Information

Readings:

*Colling, P. L. and S. H. Irwin. 1990. "The Reaction of Live Hog Futures Prices to USDA Hogs and Pigs Reports." *American Journal of Agricultural Economics* 72(1):84-94.

McKenzie, A. M., M. R. Thomsen, and J. B. Phelan. 2007. "How do you Straddle Hogs and Pigs? Ask the Greeks!". *Applied Financial Economics* 17:511-20.

*Thomsen, M. R. and A. M. McKenzie. 2001. "Market Incentives for Safe Foods: An Examination of Shareholder Losses from Meat and Poultry Recalls." *American Journal of Agricultural Economics*. 83(3): 526-538.

Economic Signals, Brands, and Advertising

Readings:

*Kirmani, A. and Rao. A. R. 2000. "No Pain, No Gain: A Critical Review of the Literature on Signaling Unobservable Product Quality." *Journal of Marketing*. 64(2):66-79.

*Nelson, P. 1974. "Advertising as Information." *The Journal of Political Economy*. 82(4): 729-754.

*Thomsen, M. R., R. Shiptsova, and S. J. Hamm. 2006. "Sales Responses to Recalls for *Listeria monocytogenes*: Evidence from Branded Ready-to-Eat Meats." *Review of Agricultural Economics* 28(4):482-493.

*Required Reading.