

February 16, 2009

MEMORANDUM

To: Eco 411 Students

From: Frank Scott

Subject: Research Project Instructions

A significant part (35%) of your grade in Eco 411 this semester will come from your term research project. I will not impose a specific format for this project to follow, because I want to allow room for you to exercise your own creativity. The choice of a topic is up to you. The only constraint is that you should pick something directly related to the material on the course outline. I will suggest possible topics as we move through the course, but you should start searching for something yourself right away.

You should aim for a report that has 8-10 pages of text (typed, double-spaced, 12 pt. font, normal margins) plus footnotes, a list of references, and any supporting figures, tables, or illustrations. The report should be prepared as a professional business report, following all of the normal rules of professional writing that you have learned in college and before. That also means that you should write efficiently and be careful not to waste your reader's time with verbosity and fluff.

The quality of your project will be determined largely by the amount of effort you spend researching your topic. I expect that many of you will rely heavily on internet sources. Because the quality and veracity of information obtained from the internet is sometimes hard to ascertain, I have the following request. Make a copy of every resource that you use in your report. If you use something from a book or a lengthy journal article, copy the cover page and the relevant section that you relied on. When you turn in your report, attach these copies of your references to your report. I will return the entire package to you after I have graded your project.

Your project will be read and graded in the following way. We will pretend that I am your supervisor and that I have given you a research assignment to carry out. I need the information and analysis in your report to make a business decision. The quality of your report will determine the quality of the decision that I make. Your continued employment, merit evaluation, and annual bonus are riding on your performance.

As was stressed above, your choice of a topic is important. I strongly encourage you to try your ideas out on me before going too far. In the week before spring break, I will ask you to turn in a one-page memorandum to me describing what you have come up with. To get you started, here are some possible topics that have worked for students who have taken this course in prior semesters.

- Evaluate the make-or-buy decisions of a company. What inputs are produced internally and why? What inputs are purchased in the marketplace and why?
- Evaluate the supply chain of a business. Are there specific assets/sunk costs involved in the supply of any key inputs? What sort of vertical connectivity exists between the company and input suppliers where there are specific assets? Where there are only general assets?
- Evaluate a merger or acquisition that worked or one that didn't work. What were the synergies or lack thereof? How was the deal financed? How did stockholders of each entity fare?
- Evaluate the compensation schemes offered by different businesses. Look at each firm in a given industry and evaluate how they pay their top executives and how they pay their sales representatives.
- Evaluate an industry for potential entry by our company. Analyze the structure of the industry. Is there room for another efficient-sized competitor? How will existing firms react to a new entrant?
- Evaluate a business with which you are familiar and formulate a plan for expansion. Is franchising a viable expansion strategy, or should we rely on company-owned outlets? How should we structure our franchise agreements and why?
- Evaluate the nature of rivalry in an oligopolistic industry. What are the ways in which existing firms compete, i.e., do they use price competition, advertising, research and development of new products, etc.? What methods do they use to soften competition with one another?

Your project is due on the last class day of the semester.