SYLLABUS
Economics

“Economics is a subject in which a little goes a long way. Economists have a unique way of viewing the world, much of which can be taught in one or two semesters.”
N. Gregory Mankiw

Some Reasons to Study Economics

1. You can make “on the one hand” and “on the other hand” statements without laughing.
2. You can tell your friends you were late for dinner because you were contemplating how the cost of dinner was the lost time studying.
3. Economists can be dangerous because they have invisible hands.
4. You’ll be able to determine if green companies are more profitable or if companies that are profitable are green.

Course Description

The Economic Concepts course introduces the principles and application of microeconomic analysis. The course fosters students’ understanding of and ability to apply economic reasoning and decision making to both their personal and professional lives. Topics include supply and demand, elasticity, production and cost analysis, and competition and monopoly. Economics is a social science and the study of economic concepts plays an important role in the development of leaders. The course has a strong emphasis on how market economies can affect the welfare of a society. It addresses the role of government in correcting potential failures in a market system including abuses of monopoly power and environmental externalities such as excessive pollution and under-funding of education. The course explores ethical dilemmas that people face in different social environments and offers guidelines to help values-centered leaders make good choices in business.
Course Objectives

This course breaks down economic content into discrete components. Each week a set of key economic principles and topics will be covered along with a set of management issues. A core set of topics for the course will be discussed during the first class session. The core topics are subject to change, but they have historically proven to be an accurate representation of the course content.

While it is not required, you are encouraged to form study groups. Study groups will help you understand topics that you have questions about, help you work through managerial response assignments, and help you identify research articles, books and data which address important economic principles. You should plan to talk with or meet with your study group members to review the assigned readings before each session and to discuss any open issues after each session.

The course objectives for this course encompass these goals.

1. Learn to think like an economist.
2. Convey economic solutions to problems that are analytically correct and easy for business managers to understand.

Setting expectations to meet these objectives is important. View the Professor as your Supervisor or Manager and your goal is to perform well and earn recognition and rewards. The Professor will have his performance judged on the basis of your success and development. Each student will complete a course evaluation at the end of the term. Students will be judged on coming to class prepared, helping their colleagues, and looking at their education as an opportunity to develop skills that will distinguish them in their careers. Performance is measured on a scale. Meeting the requirements of the job will be recognized with a B+ or B grade and rewarded by keeping your job. Exceeding the requirements for the work you are asked to do will be recognized as outstanding or excellent performance and rewarded with an A or A- grade. More details on grading and expectations are provided later in this syllabus.

Student Learning Outcomes

An understanding of competitive markets is essential for analysts and managers. Competitive markets are described using economic concepts. Some decisions are provided by the market and others are made by managers in individual businesses. Learning what managers can do and how to effectively use scarce resources in competitive markets prepares decision-makers is a dynamic process. In competitive markets the status-quo is often less important than understanding what is likely to occur in the long-term and determining if the long-term outcomes are acceptable.

The overall purpose of this course is to enhance the abilities of students as analysts and managers to remember and understand how to correctly use key economic
concepts such as scarcity, economic profits, demand, supply, and market information. Innovation and creativity are key ingredients to success. Students work in small groups to experience how team members can divide key work assignments, focus their work, and reduce the time to make key decisions.

Students will be challenged to:

- Develop the ability to apply economic principles and intuition to real-world situations. This includes understanding the context of how analyses will be used by managers.
- Develop critical thinking and problem solving skills necessary to make good decisions as a manager. This includes being able to do sensitivity analyses and identify what could change and affect solutions and decisions.
- Develop the discipline necessary to self-motivate preparation for class sessions, projects, and exams as a graduate student.
- Recognize and explain to analysts and managers the different types of economic markets and how they affect analyses and business decisions.
- Describe and illustrate how competitive markets work from multiple perspectives including firms, workers, and consumers.
- Understand the implications of businesses entering, exiting, and competing in economic markets.
- Set objectives to effectively allocate scarce resources.
- Compare a competitive market with a monopoly market.

Competitive markets offer students the opportunity to learn how much an economic market can offer consumers. Monopoly markets provide businesses with their best outcomes at the expense of consumers. Ethical issues are also examined. These include analyzing the consequences of providing misinformation and the potential for pricing abuses. Finally public projects and the role of government in allocating scarce resources is examined using benefits, cost, and net benefit analysis. The economic thinking skills gained in the analysis of competitive markets is extended to other less than competitive markets in the managerial economics course which follows this course.

**TOTAL DIRECTED INSTRUCTION HOURS** (30 hours for a 2-unit class)

**Texts and Course Materials**

**Required Textbook**


The Pepperdine Bookstores in conjunction with selected publishers is offering a “book rental” option this semester. The Malibu Book Store Manager sent a notice that the required text for this class is on the rental book list. Further information is available at [rent-a-text.com](http://rent-a-text.com).
In addition students should be aware that Wiley & Sons offers a binder ready version of this book for approximately 60 percent of the price of the hard bound text. Also this text is on coursesmart.com as a competitively priced eBook.

Students may also be required to purchase case studies ($5-$10) on a limited basis.

Recommended Readings


Tutor

The Program Office maintains a list of tutors. If you feel that you are not able to keep up and wish to ask for help contact the Program Office.

Grading

A total of 150 points can be accumulated for this course.

- 100 points for two examinations (35 points for Exam 1 and 65 points for exam 2 (final))
- 50 points for four quizzes (quiz 1-2 10 points each/ quiz 3-4 15 points each.)

A letter grade will be assigned based on the percentage of points scored out of the 150 possible points for the course. A standard table of percentages will be used to calculate grades. Grades will be assigned as follows:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>94.00-100.00%</td>
</tr>
<tr>
<td>A-</td>
<td>90.00-93.99%</td>
</tr>
<tr>
<td>B+</td>
<td>87.00-89.99%</td>
</tr>
<tr>
<td>B</td>
<td>83.00-86.99%</td>
</tr>
<tr>
<td>B-</td>
<td>80.00-82.99%</td>
</tr>
<tr>
<td>C+</td>
<td>77.00-79.99%</td>
</tr>
</tbody>
</table>

Examinations (100 points of 150 total points)

There will be two closed-book examinations. The mid-term examination will be closed-book. It will cover basic economic concepts, definitions, calculations, names, dates and economic history. The mid-term exam will be worth 35 points. The final examination will be worth 65 points and will also be closed-book. It will focus on economic concepts, formulas, decision making rules, all chapter readings and material discussed in class sessions 1-6.

Calculators are allowed but laptops are not. The exam questions will be taken from the test data bank for the assigned chapters during that period. No make-up exams
will be given except for compelling reasons and only when prior arrangements are made with the Professor.

Quizzes (50 points of 150 total points)

Four quizzes will be given in this course. Each quiz will be given at the start of a designated class session. Quiz problems focus on assigned textbook readings for the session. Quiz 1-2 will each be worth 10 points. Quiz 3-4 will each be worth 15 points. Quizzes are intended to ensure that students are comprehending the readings and problem solving/decision making cases. There are no make-up quizzes, regardless of the reason for an absence. All quizzes are closed book.

Expectations, Success and Class Rules

A structure for this class has been put in place to create a successful learning experience. It is a two way street that requires both understanding and acceptance by everyone. The following is a list of expectations:

Professor’s expectations of Students

- Come to class prepared and look at this class as an opportunity to learn a few new skills that you can use as an advantage in your career.
- Take a leadership role in the classroom and outside. Help others when they ask for it. Ask the Professor if you have questions. Schedule office hour sessions and feel free to telephone or email any time.
- Read all scheduled pages of the text prior to class. Keep your focus on the logic of the topic and don’t get too involved with the details.
- Buy a calculator that can do basic arithmetic to three decimal places.
- Develop the discipline necessary to spend time doing practice exercises and assignments whether they are required or not. Read articles in newspapers and magazines about current topics of interest and share them with the Professor and your class mates.

Student’s expectations of the Professor

- The Professor will be available and return emails, missed calls by the following day.
- Students will receive back graded assignments by the following class period.
- The Professor has been teaching at Pepperdine since 1995 and has high standards. In 2010 he received the George Award as the Outstanding Faculty Member in the Graziadio School of Business and Management.
- Your learning experience is the Professor’s main concern. The Professor’s goal is to do whatever he can to provide each and every student with a learning experience that he/she can be proud of and use as a competitive career advantage.
Success may require you to read the assigned readings multiple times. This is especially true if you have not had economics courses before. Treat each practice problem as if it were being collected and graded. Form a study group early in the session and openly discuss the topics and your understanding of key issues. Evaluate your progress after each quiz and assignment. Learn from the feedback provided and figure out how to improve and adjust your behavior moving forward. Set reasonable goals regarding success based on learning not just on grades.

The following are a list of class rules related to the classroom environment:

1. No accessing laptops or cell phones except during designated periods. Each time a student uses a device in the classroom a 5 point deduction before final grading.
2. Do not leave the class during the session.
3. You may not eat during class if you need to. You may drink during the class sessions.
4. Use class time to focus, participate, and think critically about the topics being discussed. Take minimal notes.
5. Bring your text and calculator to class each week.
6. When asked to download an article or other documents do so before class.
7. Check Sakai for the weekly class agenda before the class.
8. **Contact the Professor before class if you are going to miss a session.** The Professor is required to report the names of any students who miss class to the Program Office.
9. Request office hour appointments at least one day prior to class.
10. Once final grades have been submitted they will only be changed in the event of a grading, calculation, or recording error by the Professor. Sakai scores and grades will be **posted 2 days before** the official grades are sent to the Registrar. Use these 2 days to address any discrepancies. Your official grades are posted in PeopleSoft not Sakai.
11. No extra credit assignments are planned for this class at this time.
Policies

Attendance Policy

The course will consist of lectures, class discussions and exercises, participation, and examinations. You are expected to attend all lectures and meetings of the class. Missing lectures and meetings can affect your grades. You are also expected to come to class prepared (i.e. having read all assigned readings). Being prepared (or not) will affect your grades. The class lectures will analyze the salient issues presented in the texts. Class discussions will be extensively used. Your participation in class discussions is an important part of this course. Current events will be viewed as opportunities to apply economic theories and analyze the effectiveness of policies.

University Code of Ethics

The University Code of Ethics is on this Website page:

http://community.pepperdine.edu/hr/policies/ethics.htm

The Graziadio Student Code of Conduct can be found on the Graziadio Academic Catalog and the Code of Ethics can be found on the Pepperdine Community Website. Use these two links to review the codes.

http://catalog.bschool.pepperdine.edu/content.php?catoid=3&navoid=109#Student_Code_of_Conduct
http://community.pepperdine.edu/graziadio/fulltime/current/ethicscommittee/

Originality of Work

This course may require electronic submission of essays, papers, or other written projects through the plagiarism detection service Turnitin (http://www.turnitin.com). Turnitin is an online plagiarism detection service that conducts textual similarity reviews of submitted papers. When papers are submitted to Turnitin, the service will retain a copy of the submitted work in the Turnitin database for the sole purpose of detecting plagiarism in future submitted works. Students retain copyright on their original course work. The use of Turnitin is subject to the Terms of Use agreement posted on the Turnitin.com website. You may request, in writing, to not have your papers submitted through Turnitin. If you choose to opt-out of the Turnitin submission process, you will need to provide additional research documentation and attach additional materials (to be clarified by the instructor) to help the instructor assess the originality of your work.

Policy on Disabilities: Assistance for Students with Disabilities

The Disability Services Office (DSO) offers a variety of services and accommodations to students with disabilities based on appropriate documentation, nature of disability, and academic need. In order to initiate services, students should meet with the Director of the DSO at the beginning of the semester to discuss reasonable accommodation. If a student does not request accommodation or provide documentation, the faculty member is under no obligation to provide accommodations. You may contact the Director of Disability Services at (310) 506-6500. For further information, visit the DSO Web site at: http://www.pepperdine.edu/disabilityservices/.
Calendar

The Calendar shows weekly reading assignments, topics and testing information. The parenthesis next to a chapter number lists the pages you are to read in that chapter. Read “Decision-Making Principles” and “Nuts and Bolts” at the end of each chapter. In addition, the calendar shows the dates for examinations and due dates for papers.

Please note that specific sections (and page numbers) for the chapters will be provided each week. The reason that chapter readings are repeated is because different sections and pages will be read for different sessions. Watch your Sakai course site for weekly information on readings and homework.

AUG 26  Class Meeting 1
Topics: Economic Thinking, Cost, Profit, Economic History
Textbook: Ch. 1, Ch. 11, Ch. 2

SEPT 2    Class Meeting 2
Topics: Quiz 1, Supply, Demand, Welfare Analysis
Textbook: Ch. 2, Ch. 3, Ch. 7

SEPT 9    Class Meeting 3
Topics: Quiz 2, Elasticity, Production, Costs
Textbook: Ch. 3, Ch. 5, Ch. 6

SEPT 16   Class Meeting 4
Topics: Competition, Monopoly
Textbook: Ch. 2, Ch. 3, Ch. 7, Ch. 8
Mid-Term Exam

SEPT 23   Class Meeting 5
Topics: Quiz 3, International Trade, Q&A
Textbook: Ch. 6, Ch. 7

SEPT 30   Class Meeting 6
Topics: Quiz 4, Data Analysis/Demand Estimation
(Bring laptop to class)
Textbook: Ch. 4

OCT 7     Class Meeting 7
Topics: None
Textbook: None
Final Exam

Office Hours
The Professor will have office hours on Mondays (except holidays) from 11:00 A.M. to 1:00 P.M. and Wednesdays from 12:00 A.M. to 12:45 A.M. in office #256. Just drop in or arrange a private session by sending the Professor an email. Sessions can also be arranged for other times subject to availability. Alternative sessions may be held at other centers or locations.