

Aalto University School of Business
Department of Economics
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**Principles of Economics
ECON-C9000**

Syllabus

This is an introductory course in economics. The first part of the course concentrates on individual economic decisions, in particular consumers and firms. It also provides a first look into decision making in social settings and competitive market behaviour. The second part will cover, market failures, topics in public policy and macroeconomic phenomena, such as business cycles, inflation and economic growth.

The course consists of 18 lectures and 5 review sessions where we will cover weekly problem sets. Lecture slides are made available in MyCourses usually the day before the lecture. The textbook for the course is *The Economy* by the Core Team. It is electronically available at <https://core-econ.org/the-economy/?lang=en>. The lectures will cover issues that are not in the textbook and on the other hand some of the material in the textbook is not covered during lectures. The exam is based only on the material covered in the lectures and review sessions.

To make the most of the lectures, I recommend you have a look at the relevant chapter in the textbook before the lecture. This gives you the best chance to ask questions on any topics that you did not understand. Active participation and asking questions in the lectures is encouraged.

The final grade of the course is based on a final exam (85%) and problem sets (15%). As in all economics courses, the problem sets are a very important part of the course. You are encouraged to work in groups when solving the problem sets, but each student should submit her own individual answer to each problem set.

Since this is the first time that this course is taught, the schedule below is tentative and there may be adjustments in the time devoted to each topic. The unit mentioned in the schedule refers to the relevant part in *The Economy*.

Course schedule (tentative):

Week	Topic
1	Introduction (Unit 1) Scarcity and choice (Unit 3)
2	Strategic Interactions (Unit 4) Institutions and allocation (Unit 5) The firm and workers (Unit 6)
3	The firm and customers (Unit 7) Competitive markets (Unit 8, 11.3)
4	Externalities and other market failures (Unit 12) Banks, money and credit (Unit 10) Labor markets (Unit 9)
5	Business cycles and multipliers (Unit 13) Fiscal policy (Unit 14) Monetary policy and inflation (Unit 15)
6	The great depression, stagflation and the financial crises (Unit 17) Technological progress and economic growth (Unit 16) Recap