

Course Code and Title	
MLI31A002 Principles of Economics	6 cr
Learning Outcomes and Content	
<p>Learning outcomes for this course, upon successful completion, include the ability to: 1) know and understand the key principles of economics underlying the market and the economy, 2) calculate real economic variables, such as real GDP, inflation and unemployment rates and be familiar with important international economic databases, 3) know and understand how fundamental economic theory applies to international business, 4) understand how aggregate variables such as inflation and unemployment behave and how the government and Central Banks can influence their behavior, 5) understand the impact of economic fluctuations at a domestic and international level, and 6) use economic principles to analyze the problems that arise from the usage of finite resources, and explore efficient and sustainable solutions consistent with long-run goals.</p> <p>Content: The purpose of this course is to introduce students to the principles of economics. It distinguishes between microeconomics and macroeconomics with a stronger emphasis on the latter. The microeconomics section addresses the topics of scarcity, opportunity cost, demand and supply, elasticity, cost theory and market structures. The macroeconomics section addresses topics such as trends in real economic variables, production and growth, theory of income determination, the consumption function, fiscal policy and monetary policy. The course will address issues of sustainability presuming that resources are finite and should be used with a view to long-term priorities and consequences.</p>	
Instructor Name and Profile	
<p>Dr. Jeremy Schwartz Dr. Schwartz is a Professor of Economics at Loyola University Maryland, in Baltimore Maryland, USA, specializing in Labor Economics, employment over the business cycle and urban housing issues. He received his B.S. at Boston College and his Ph.D. at the George Washington University.</p>	
Email Address	
jsschwartz1@loyola.edu	
Office Hours	
M-Th: One hour directly after class. Available upon request at other times.	
Required Reading	
Mankiw G & Taylor N., Economics, 6th ed, CENGAGE (earlier editions are okay)	

Course Schedule

Deduction due to an absence on the first day of the course: 5 points (on a 100-point scale) will be deducted from the student's final raw score before converting it to the final grade. If a student is absent on the first day due to illness, and provides the Manager of Academic Operations with a medical certificate, the 5-point deduction will be waived. The Manager of Academic Operations will then inform the instructor of the waived deduction.

Individual Assessments

Exams: There will be two exams, one covering microeconomics and the other covering macroeconomics. You will have 75 minutes to complete each exam which will be held at the end of the session. The exams will be conducted through MyCourses. Exams will be closed note and closed book nor will you be able to access other websites beyond the exam.

We will discuss the format of each exam in more detail prior to the exam dates but expect to be tested on material that may only be in the reading and material that may only be covered in class. Exams will test your recall of the material as well as your ability to apply it and form an educated opinion from an economic perspective.

Homework (HW) Assignments: Since economics is best learned by applying what you hear in class, and read in the text, there will be 6 **HW Assignments** due throughout the module. These assignments will test your understanding of the concepts presented in the reading, give you practice using the tools of economics, a chance to use real world data and present your opinion on current events. HW Assignments will also let you know what to expect on the mid-term and the final.

HW Assignments will typically cover material covered three days prior to them being due. This gives you sufficient time to look over the material and contact or see me with any and all questions you may have. **HW assignments are posted on MyCourses under the Session they are due and in the Assignments section of the course's MyCourses page.**

HW Assignments will be graded on a 100-point scale based on the quality of your work. Since quality will count, and since you can ask me and your classmates' questions, you should never submit an assignment where you do not understand a question being asked. Additionally, feel free to work together in groups. **If you do work in groups, each person must separately submit their answers on-line. NO LATE ASSIGNMENTS.** HW

HW Assignments are due one hour prior to the start of class unless otherwise noted.

Group Assessments

We will be creating groups of three to four students during our first session, and you will have two group assignments throughout the module, one learning cafe and one current event assignment.

Learning Café

Each team will be responsible for one **Learning Café** poster that summarizes assigned chapters and course concepts and is presented to your fellow students prior to each exam.

A rubric for grading the posters will be posted prior on MyCourses, but to receive full credit poster and associated presentation should not just summarize course slides, reading or other notes, but rather present the material in a new fun, interesting and informative way that helps your fellow students better understand course concepts. An example of an excellent assignment could include a fun quiz, trivia, interesting examples, or review questions. Your goal is to help your fellow students better learn and understand the economics.

Before exams, we'll have a Learning Café, where posters will be displayed around the classroom with some students reviewing the content of the other posters, and other students presenting their poster. The posters are due in class on the dates noted in the course outline below.

Current Event Presentations

During a **Current Events and Issues in Economics** presentation, you will review a news event or related issue from an economic perspective. Presentations should be no longer than 7 minutes. Presentations will occur throughout the module, typically after the first break. After we form groups, your group will have the opportunity to sign up for the presentation they are most interested in.

To complete this assignment, you will need to:

1. Read the article or materials provided about the event or issue, as well as identify two additional reputable sources related to your assigned event.
2. **As a group gather at least three other sources related to the event or issue. This could be additional data, other news articles, government reports or other reputable sources.**
3. Within your group discuss and formulate a response to the discussion question(s) included with your event's materials on MyCourses.
4. Produce a presentation, with slides that includes: An introduction of the topic, sufficient background that helps us understand the event, a response to the discussion question that applies related economic concepts we have studied in the last several sessions. Also provide a conclusion and works cited slide.
5. Upload your presentation to MyCourses by 11:30 PM the day before your presentation.

More details on the assignment along with a rubric will be posted on MyCourses.

Session # and Date	Topic/s	Assignment/s
Session 1: Monday, Jan 8 Meets 9:00-12:00 with two 15 min breaks	Introduction to class Thinking like an economist -Principles of economics -Scarcity -The production possibility frontier -Opportunity costs -Normative v positive economics	Reading: Chs 1, 2, & 17 (please complete by Session 3)

<p>Session 2: Tuesday, Jan 9 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Supply and Demand Markets Demand Supply Supply and Demand together How prices allocate resources Shifts in demand and supply curves.</p>	<p>Reading: Ch 3 page 33 – 55</p>
<p>Session 3: Wednesday, Jan 10 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Elasticity -Elasticity defined -Perfectly inelastic demand -Perfectly elastic demand -Unit elastic demand -Price elasticity of supply and demand -Income elasticity of demand -Cross price elasticity -Elasticity and sales revenue</p>	<p>Reading: Ch 3 pages 55 -75</p>
<p>Session 4: Thursday, Jan 11 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Firm behavior Organization of industry Firms in competitive markets -Total revenues, total cost and profit -The production function. -Total cost curve -Fixed and variable costs -Average and marginal costs -Cost curves and their shapes -Perfect competition</p>	<p>Reading: Chs 5 and 6</p> <p>HW Assignment 1</p>
<p>Session 5: Friday, Jan 12 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Markets, efficiency and welfare -Surplus -Efficiency -Controls on prices -Taxes -Subsidies</p> <p>Externalities -Private solutions to externalities -Policies towards externalities</p>	<p>Reading: Chs 7, 8 and 10</p> <p>Current Events (Team 1 and 2)</p>

<p>Session 6: Monday, Jan 15 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Public goods and common resources</p> <ul style="list-style-type: none"> - The different kinds of goods - Free rider problem/unpriced goods <p>Monopoly and imperfect competition</p> <ul style="list-style-type: none"> - Imperfect competition - Natural monopolies 	<p>Reading: Chs 9, 11 and 12</p> <p>HW Assignment 2</p>
<p>Session 7: Tuesday, Jan 16 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Monopoly and imperfect competition (continued)</p> <p>-Price discrimination</p> <p>Game theory and oligopoly</p> <ul style="list-style-type: none"> - Characteristics of oligopolies - Game Theory 	<p>Reading: Ch 13</p> <p>HW Assignment 3</p>
<p>Session 8: Wednesday, Jan 17 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Asymmetric Information (If time permits)</p> <ul style="list-style-type: none"> -Adverse selection -Moral Hazard <p>Learning Café</p>	<p>Learning Café Micro (For groups signed up for Micro Learning Café)</p> <p>Current Events (Team 3 and 4)</p> <p>Reading: Ch 18</p>
<p>Session 9: Thursday, Jan 18 Meets 9:00-12:00 with one 30 min breaks</p>	<p>Exam (first half of class)</p> <p>Measuring a nation's income</p> <ul style="list-style-type: none"> - Objectives of macroeconomics - Using GDP as a measure of wellbeing - Real vs. nominal output - Constraints on achieving macroeconomic objectives 	<p>Exam 1</p> <p>Reading: Ch 20 pages 434 - 452</p>
<p>Session 10: Friday, Jan 19 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Important Economic Indicators</p> <ul style="list-style-type: none"> -Unemployment -Labor force participation -Inflation and its measures -Adjusting for inflation 	<p>Reading: Ch 20 pages 453 – 460, Ch 22</p> <p>Current Events (Team 5)</p>

<p>Session 11: Monday, Jan 22 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Production and growth -Global economic growth -Productivity defined -Determination of productivity -public policy</p> <p>Savings and investment The market for loanable funds</p>	<p>Reading: Ch 21, Ch 23</p> <p>(Team 6 and 7)</p>
<p>Session 12: Tuesday, Jan 23 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Money, banking, and the determination of interest rates -Role of money -Central Banking Systems -Fractional Reserve Banking -Open Market Operations -21st Century Central Bank Tools -Quantity Theory of Money -Money market equilibrium -Monetary policy</p>	<p>Reading: Ch 24</p> <p>HW Assignment 4</p>
<p>Session 13: Wednesday, Jan 24 Meets 9:00-12:00 with two 15 min breaks</p>	<p>AD-AS Model and Fiscal Policy -Aggregate demand (AD) -Aggregate supply (AS) -AD and AS Equilibrium -Fiscal Policy</p>	<p>Reading: Ch26, Ch 28</p> <p>HW Assignment 5</p>
<p>Session 14: Thursday, Jan 25 Meets 9:00-12:00 with two 15 min breaks</p>	<p>Open-Economy Macroeconomics -International Flows -Real and Nominal Exchange Rates -Open Economy Models (if time permits)</p> <p>Learning Café</p>	<p>Reading: Ch 25</p> <p>Current Events (Team 8 and 9)</p>
<p>Session 15: Friday, Jan 26 Meets 9:00-12:00 with one 30 min break</p>	<p>Review (If time permits)</p> <p>Exam 2 (second half of class)</p>	<p>Exam 2</p>

Grading	
Course Requirements	Weighting (%) or maximum points
HW Assignments: 168 points	16.8%
Exam 1 (Microeconomics): 340 points	34%
Exam 2 (Macroeconomics): 340 points	34%

Group Current Events Project: 62 points	6.2%
Learning Café: 50 points	5%
Participation: 40 points	4%
Total: 1000 points	100%

Conversion scale	Final grade (official scale)
90 - 100	5
80 - 89	4
70 - 79	3
60 - 69	2
50 - 59	1
0 - 49	0

ECTS STUDENT WORKLOAD	
This course is a 6 ECTS unit course, following the ECTS (European Credit Transfer System) guidelines of Aalto University School of Business. The number of hours the average student is expected to work in the course is 160 (including in-class and out-of-class work).	
Types of Hours	Number of Hours
Contact hours (on- and off-campus):	45
Out-of-class hours:	115 (Sum of fields below)
Work with course materials, eg required reading	75
Exam preparation	10
Individual research & writing	10
Team projects (meetings, research, preparation, etc.)	20
Total of all student workload (contact and out-of-class) hours:	160

ACADEMIC POLICY STATEMENTS

CODES OF CONDUCT
Academic excellence and high achievement levels are only possible in an environment where the highest standards of academic honesty and integrity are maintained. Students are expected to abide by the Aalto University Code of Academic Integrity, other relevant codes and regulations, as well as the canons of ethical conduct within the disciplines of business and management education.

In addition, the BScBA Program has strict exam regulations in force which must be followed in all test-taking situations.

TEXTBOOK POLICY

All required textbooks and other course materials are the responsibility of the student. It is the expectation of faculty that all students will have access to the textbooks and other reading material. If a student is not able to purchase his/her own copy of the textbook or other required reading materials, it is nonetheless the student's responsibility to find a way to complete the reading for the course.

CLASS ATTENDANCE AND PARTICIPATION

Class attendance and participation are considered integral parts of teaching and learning at the BScBA program in Mikkeli. Therefore, regular class attendance is required of all students and attendance records are kept for each class. Students are also expected to be in class on time.

If the student participates in the final exam/assessment, it will be graded and counted towards the final grade.

The attendance policy of the BScBA program provides that:

- 1) **A maximum of three absences of any kind** is allowed for a 3-week, 6-credit course. Four or more absences will result in being dropped from the course.
- 2) Whenever taking an absence, **the student bears the risk of missing class**, and the consequences, which may include a lower participation grade, missing a graded activity, etc. It is up to the course instructor to decide whether or not a graded activity can be completed later.
- 3) **An absence on the first day of the course** will result in 5 points (on a 100-point scale) being deducted from the student's final raw score before converting it to the final grade. If a student is absent on the first day due to illness, and provides the Manager of Academic Operations with a medical certificate, the 5-point deduction will be waived. The Manager of Academic Operations will then inform the instructor of the waived deduction.
- 4) **A student getting to class after the session has started** will not be able to enter the classroom until the first break and will get an absence for the day.
- 5) It is expected that **students marked present for the day are in class the entire time**. Students leaving class early may be marked absent.
- 6) **The instructor may include class participation as a component of the grade**; up to 15% of the total points that can be earned toward the final grade.
- 7) **The instructor may identify up to three days of the course (in addition to the first day) as mandatory**, ie taking an absence on those days would have a direct impact on the course grade.

The instructor for the course will take attendance in classes. The decision to drop a student from a course will be made by the instructor, who will inform Mari Syväoja, Manager of Academic Operations: mari.syvaoja@aalto.fi.

Addition to the attendance policy of the BScBA Program, Mikkeli Campus:

- This addition concerns absences in addition to the normal maximum of three that would fall under a category called **Medical and Family Emergency cases**.
- Students who want to use this option to complete a course must fulfil these criteria:

- The total absences of the student will exceed the normally allowed three absences due to a major medical problem or family emergency.
- The student will be absent no more than 5 days; exceeding that number of days will result in dropping the course.
- Documentation or a detailed explanation concerning the entire period of the emergency (such as a medical certificate) is provided to the Manager of Academic Operations.
- The case-by-case solution will be coordinated by the Manager of Academic Operations, who will deal with the documentation and discuss with the instructor to find a pedagogical solution enabling the student to continue in the course. In case the MAO is on leave, the student should contact the other study office staff.
- The solution must not cause a significant increase in the instructor's workload. The grading elements for the course may be reviewed, and additional assignments may be arranged if feasible. However, a shifting of grading proportions may occur. The course grade might be affected due to the student missing some in-class activities.