

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
Carolyn Craven is Associate Professor Emerita at Middlebury College in Middlebury, Vermont, where she taught from 1999 to 2023. Her B.A. (Political Economy) is from Williams College and her Ph.D. (Economics) is from Yale University. In addition to Principles, she has taught International Economics, the Economics of Happiness, Latin American Development, and Economy and Culture of the Great Depression.

Email Address
ccraven@middlebury.edu

Office Hours
Monday-Thursday 14:00-15:00

Required Reading
Mankiw G & Taylor N., Economics, 6th ed, CENGAGE. This new edition is preferable.

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.

Career Day Since you'll miss class for Career Day on the second Wednesday, we'll have 30 extra minutes of class on four sessions (Thursday 1.2; Friday 2.2; Tuesday 13.2; Wednesday 14.2). And on the two exam days, we'll take just one 15-minute break, before the test. Together, those adjustments make up 150 minutes of class time.

Assessment

Two tests: Micro Tuesday 6.2; Macro Friday 16.2, during the second half of class. Closed book and closed notes.

Five problem sets: Due approximately every second day at 8:00. Problem sets will cover material from the previous two or three days of class. Submit on MyCourses individually. You can work together on homework, but because it's your best preparation for the tests, make sure you don't rely too much on other students.

Two group projects: Either Micro Current Events and Macro Learning Café or Micro Learning Café and Macro Current Events. Groups of about four assigned by the instructor.

- **Current Events and Issues in Economics Presentation:** Groups will be given a short news article and will find a second, related article. In the presentation, they'll explain the news event and relate it to a topic we've recently studied in class. 10 minutes for each group. (Thursday 1.2; Friday 2.2; Tuesday 13.2; Thursday 15.2)
- **Learning Café Presentation:** Groups will create a poster that summarizes a course concept and will discuss it with the other students on test day (Tuesday 6.2 or Friday 16.2). To receive top credit, the poster should not just summarize course slides and reading, but rather present the material in a fun, interesting that helps other students better understand the concept. An excellent poster/discussion could include a quiz, new examples, or memory aids. The goal is to help everyone better understand the economics. All students (including presenters) can circulate to see all the posters. (In addition, there will be time before the test for Q&A with your instructor.)

Class participation: asking questions in class, answering questions in class and commenting on student presentations are all strongly encouraged.

You'll see more detail on MyCourses as assignments are posted.

Session/Date	Topics	Assignments
Session 1 Monday 29.1	Introduction: Scarcity; well-being Spheres of economic activity Resources; capital The production possibilities frontier and marginal analysis Comparative advantage and trade	Skim chapters 1, 2 at some point Reading on PPF: Chapter 17 to p. 373—read this by Session 2 Problem set 1 assigned
Session 2 Tuesday 30.1	Institutions and markets Competitive supply & demand Price elasticity and revenue	Chapter 3
Session 3 Wednesday 31.1	Behind S&D: consumer theory A bit of behavioral economics	Reading: Chapter 4, Chapter 18 pp. 403 and 410-415 PS 1 due 8:00 Problem set 2 assigned
Session 4 Thursday 1.2	Behind S&D: the production function and costs Revenue and profit maximization Entry, exit and long-run equilibrium	Extra 30 minutes of class today Current events presentations, 3 groups Reading: Chapters 5, 6 through p. 143
Session 5 Friday 2.2	Efficiency and surplus Taxes and other interventions Market failure part I: Public goods, commons, and externalities	Extra 30 minutes of class today PS 2 due 8:00 (one day later for today's presenters) Current events presentations, 3 groups Reading: Chapters 7, 8 to p. 188, 9 to p. 210, 10 to p. 230 PS 3 assigned
Session 6 Monday 5.2	Market failure part II: Imperfect competition Asymmetric information	PS 3 due 8:00 Reading: Chapters 11, 13 to p. 299, 18 to p. 410
Session 7 Tuesday 6.2	Review for Test: Learning Café and Q/A all together We may switch classrooms for the test itself	Learning Café poster presentations, 6 groups Microeconomics Test, 2nd half of class
Wednesday, 7.2	Career Day	No course activities
Session 8 Thursday 8.2	Macro measurement: GDP, nominal and real Inflation	Macroeconomics starts Reading: Chapter 20 PS 4 assigned
Session 9 Friday 9.2	Income distribution Long-run growth and productivity	Reading: Chapters 16, 21
Session 10 Monday 12.2	Short run fluctuations: Unemployment Keynesian economics	PS 4 due 8:00 Reading: Chapter 22, 27 to p. 630 PS 5 assigned

Session 11 Tuesday 13.2	The monetary system Monetary and fiscal policy	Extra 30 minutes of class today Current events presentations, 3 groups Reading: Chapters 24, 29
Session 12 Wednesday 14.2	Aggregate supply and demand Inflation and unemployment	Extra 30 minutes of class today Current events presentations, 3 groups Reading: Chapters 28, 30
Session 13 Thursday 15.2	Financial markets Open-economy macro	PS 5 due 8:00 Reading: Chapters 23, 24, skim 32
Session 14 Friday 16.2	Review for test: Learning Café and Q&A Lab classroom for test	Learning Café poster presentations, 6 groups Macroeconomics Test, 2nd half of class

Grading																	
Course Requirements	Weighting (%) or maximum points																
Two tests	35% + 35% = 70%																
Five problem sets	15%																
Two group projects <ul style="list-style-type: none"> • Current Events and Issues in Economics Presentation • Learning Café Presentation 	5% + 5% = 10%																
Class participation	5%																
Total	100%																
<table border="1"> <thead> <tr> <th>Conversion scale</th> <th>Final grade (official scale)</th> </tr> </thead> <tbody> <tr> <td>90 - 100</td> <td>5</td> </tr> <tr> <td>80 - 89</td> <td>4</td> </tr> <tr> <td>70 - 79</td> <td>3</td> </tr> <tr> <td>60 - 69</td> <td>2</td> </tr> <tr> <td>50 - 59</td> <td>1</td> </tr> <tr> <td>0 - 49</td> <td>0</td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Conversion scale	Final grade (official scale)	90 - 100	5	80 - 89	4	70 - 79	3	60 - 69	2	50 - 59	1	0 - 49	0			
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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
Contact hours for attending the Career Day:	4
Out-of-class hours:	111 (Sum of fields below)
Work with course materials, eg required reading	72
Exam preparation	12
Individual research & writing (problem sets)	15
Team projects (meetings, research, preparation, etc.)	12
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.