PEPPERDINE UNIVERSITY
THE GEORGE L. GRAZIAUDIO
SCHOOL OF BUSINESS AND MANAGEMENT

DAVID M. SMITH, PHD
MBAM 592.14
ECONOMIC CONCEPTS
FALL 2003, SESSION A
THURSDAYS
8:00 AM – NOON
MALIBU CAMPUS

SYLLABUS
Economic Concepts
MBAM 592.14
Fall 2003, Session A

Thursdays, 8:00 am – noon
Malibu, Room TBA

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Office Hours: Wednesdays, 10 am – 1 pm, or by appointment

Course Description

This course introduces the principles and application of microeconomic analysis. Attention is given to supply and demand theories, price and wage practices, market structures, production, and cost analysis. It includes study of the economic role of government and the limitations of the market system. The concepts and data for the study of individual economic behavior, firms, industries, and markets are introduced. The course also introduces the principles and application of macroeconomic analysis of the external business environment, covering concepts such as consumption, saving, investment, employment, production, business fluctuations, unemployment and inflation, money and banking, international trade, and economic growth.

Course Objectives

The main purpose of this course is to establish a basic understanding of microeconomic and macroeconomic analysis. This will not only prepare you for future coursework in economics in our MBA program, but also establish a framework for analyzing economic problems within the context of the business environment. Specific emphasis will be placed on the development of analytical thinking and problem solving skills. In addition, there will be numerous opportunities to enhance skills necessary for today’s managers, including written and oral communication skills, as well as the ability to work in teams.

Texts and Course Materials


A 10-week subscription to the Wall Street Journal is included with the purchase of your text. You will find the WSJ not only useful in classroom discussions, but also in other courses,
as well as in your general development as managers. Please hand in your subscription cards during the first class period, and I will expedite your delivery set-up.

The study guides should be used on an “as needed” basis. If you are having difficulty understanding the material, this is a good place to go. A nice feature of the study guides are that they provide answers to all problems, and thus may be used to test your understanding of the concepts covered in the course.

In terms of math, you will need to be comfortable working with graphs and have a good grasp of basic algebra. If you are unsure about your abilities in these areas, see me and I can make a recommendation.

In addition to the above, I will assign weekly readings from current business journals and periodicals, relying heavily on the Wall Street Journal and the Economist. These articles will be available for you to read online and will serve as current case studies in the application of economic principles to the business environment.

You should read all assigned material prior to class. You may find it helpful to take notes from your readings and bring these to class. In addition, since we only have seven weeks together, it is crucial that you do not fall behind in your reading.

Class Format

We will attempt to cover a lot of material in this class, so you may find the pace relatively fast. Some of the material in this course is technical in nature. Much of the material will be covered in a discussion framework, utilizing examples provided in your text and current business periodicals. The goal is to strive for disciplined inquiry in our discussions (as opposed to anarchy).

Relatively heavy reliance will be placed on use of online tools in this class. You will receive regular e-mail messages from me, for both reading assignments and class announcements. In addition, we will extensively utilize the portal and e-rooms (graziadionet.pepperdine.edu). Finally, South-Western Publishing offers several free resources, including online quizzes that are offered to help prepare you for in-class quizzes. I will spend time on the first day of class introducing these aspects of the course.
Grading

There are 300 points possible:

Classroom Participation 40
Group Project 60
Problem Sets 25
Quizzes 175
Total 300

The following scale will be used. Familiarize yourself with it, as it is fairly ambitious:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Point total</th>
<th>Letter grade</th>
<th>Point Scale</th>
</tr>
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<tbody>
<tr>
<td>96 – 100%</td>
<td>288 - 300</td>
<td>A</td>
<td>4.0</td>
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<tr>
<td>92 – 95.9</td>
<td>276 - 287</td>
<td>A-</td>
<td>3.7</td>
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<tr>
<td>88 – 91.9</td>
<td>264 - 275</td>
<td>B+</td>
<td>3.3</td>
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<tr>
<td>85 – 87.9</td>
<td>255 - 263</td>
<td>B</td>
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<tr>
<td>82 – 84.9</td>
<td>246 - 254</td>
<td>B-</td>
<td>2.7</td>
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<tr>
<td>78 – 81.9</td>
<td>234 - 245</td>
<td>C+</td>
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<td>75 – 77.9</td>
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<tr>
<td>72 – 74.9</td>
<td>216 - 224</td>
<td>C-</td>
<td>1.7</td>
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<tr>
<td>68 – 71.9</td>
<td>204 - 215</td>
<td>D+</td>
<td>1.3</td>
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<tr>
<td>65 – 67.9</td>
<td>195 - 214</td>
<td>D</td>
<td>1.0</td>
</tr>
<tr>
<td>62 – 65.9</td>
<td>186 - 194</td>
<td>D-</td>
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Classroom participation evaluates your ability to contribute to the learning environment, and it involves two components. First, your peers will evaluate your contribution to the class, with your group having the most significant input. Specifically, you will be evaluated on your contribution to your group’s efforts. Second, I will evaluate your contributions to classroom discussions (but there is also an opportunity for your peers to weigh in on this as well). For my part, you will be evaluated on two aspects of your contributions: quantity and quality. Regarding quantity, your goal should be to contribute regularly, without monopolizing the “air time.” In terms of quality, your goal is to foster a positive classroom environment, where your contributions add significantly to the group’s understanding of the material. In addition, I expect more experienced economic students to be cautious of using advanced economic concepts and terms, so that not to discourage students with less experience in economics.

One of your first assignments will be to form a group of 2-4 individuals. Your group will have 2 tasks to complete this session: (1) To complete the quizzes during each class period (see below). (2) To present a project on the last class period. More details on the group project will follow.

Problem sets will be due on a weekly basis, and should help prepare your for the quiz given on the day they are due. There will be 6 problem sets, each worth 5 points. They will be graded on the basis of completeness, and you will receive all 5 points if your work is complete.
You are allowed to work with others in completing your problem sets, but note that you may handicap your ability to learn if you rely on others too much. E-rooms will be utilized in the collection of assignments – we will cover the mechanics of this on the first day of class.  

Homework must be handed in electronically prior to the beginning of class time. Late work will be penalized. The lowest problem set score will be dropped in determining your final grade.

Quizzes will be administered on a weekly basis. The format will generally be a mix between short answer, essay, and multiple choice. Each quiz will be designed to take 30 minutes to complete and will be worth 30 points. Immediately following administration of the quiz on an individual basis, the same quiz will be completed within your group, worth a maximum of 5 points. Thus, adding the group component, each quiz contributes a maximum of 35 points toward your final grade. Your lowest quiz score will be disregarded when calculating your final grade. Although quizzes will not be “curved,” if it is determined that a particular quiz is especially difficult, I may adjust all scores upward by a uniform number.

Class Attendance

Since we only meet seven times, I encourage you to attend every class period. Missing classes will adversely impact your participation grade, and in addition, you will receive a zero on the quizzes given on days you miss (no make-up quizzes will be administered).

Conduct

GSBM students are expected to respect personal honor and the rights and property of others at all times. The University rules on conduct can be found on pages 221-2 of the Graziadio School Catalog.

Cheating of any sort will not be tolerated in this course. If I detect cheating, I am likely to impose the strictest penalties allowed under the student honor code.

Policy on Disabilities

Students with disabilities are encouraged to familiarize themselves with the University's Policies on Disabilities on page 33 of the GSBM Catalog or contact the University's equal opportunity officer at (310) 506-6500.

Access to the Instructor

My philosophy of teaching is that I best lead the class by serving you. To that end, I am available to meet with you for whatever reason you deem appropriate. We can meet during office hours, by appointment, or over the phone. E-mail also works well. I care about your progress in the class, and if you are having difficulty, I would like to meet with you.
Please note that there is reading assigned for the first class. Also, please complete the attached personal data sheet.

**Tentative Course Schedule:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Mankiw Reading</th>
<th>Assignments</th>
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| 9/4   | Ch 1 Introduction  
       | Ch 2 Thinking like an Economist (including appendix)  
       | Ch 4 Supply and Demand |                   |
| 9/11  | Ch 6 Government policies, pp. 117-28  
       | Ch 7 Efficiency of Markets  
       | Ch 10 Externalities | PS #1, Quiz #1 |
| 9/18  | Ch 5 Elasticity  
       | Ch 21 Theory of Consumer Choice | PS #2, Quiz #2 |
| 9/25  | Ch 23 Measuring a Nation’s Income  
       | Ch 24 Measuring the Cost of Living  
       | Ch 25 Production and Growth | PS #3, Quiz #3 |
| 10/2  | Ch 28 Unemployment  
       | Ch 29 The Monetary System  
       | Ch 30 Money Growth & Inflation | PS #4, Quiz #4 |
| 10/9  | Ch 3 Gains from Trade  
       | Ch 9 International Trade | PS #5, Quiz #5 |
| 10/16 | Group Presentations | PS #6, Quiz #6 |
Personal Data Sheet

Please complete as well as you can (some questions may not apply to you) and hand in the first day of class. This form can also be filled out electronically and e-mailed to me. These sheets will help me understand your background, and they will assist me as I determine the breadth, depth, and pace that we cover the course concepts.

Name______________________ Preferred First Name____________________________

Phone______________________ E-mail _______________________________________

What’s the best way to contact you (phone or e-mail) if needed________________________

What do you consider your "home" country (or state)?_______________________________

Which colleges(s) did you graduate from?_________________________________________

What was your major(s)?______________________________________________________

Please indicate your highest-level achieved in undergraduate economics: (none, intro, or intermediate)

Microeconomics?______________ Macro?____________________

Describe your work experience (occupation, years of experience):

What industry did you work/work in? (e.g. Telecommunications)_______________________

Circle the MBA program you are in:

2-year 15-month 12-month JD/MBA MIB Exchange MPP/MBA

Circle the MBA concentration you expect to choose or are leaning towards:

Dispute Resolution Finance Global Marketing Technology

Do you have a specific industry/occupation that you would like to pursue and/or do you have a job waiting for you when you complete the MBA? Please list:

List here anything else you would like me to know about your background or interests, or expectations for the course (continue on back if needed):