



COURSE SYLLABUS

SEMESTER/YEAR: **SPRING 2010**

COURSE INFORMATION:

CLASS: **ECON 620 - 01**

TITLE: **BUSINESS ECONOMICS**

MEETINGS: **TUESDAYS 6:00 – 9:50 p.m., REID 3319**

DATES: **1/12, 1/19, 1/26, 2/02, 2/09, 2/16, 2/23, 3/02**

CREDIT HOURS: **3**

PRE-REQUISITES: **ACCT 509 and BUS 545**

TEXTS: ***Survey of Economics, Sixth Edition*, by Irvin B. Tucker
BusinessWeek Magazine**

PRE-ASSIGNMENT:

- **Read Chapter 1, Appendix 1, and Chapter 2 of the Tucker textbook**
- **Work on Problem Set #1 (to be mailed out two weeks before class starts)**

INSTRUCTOR INFORMATION:

INSTRUCTOR: **FELIX B. KWAN, Ph.D.**

OFFICE LOCATION: **ABAC 2214**

PHONE: **314/529-9610**

E-MAIL ADDRESS: **fkwan@maryville.edu**

FAX: **314/529-9975**

An electronic conference system has been set up for this course. Please register for access into Maryville's Email system, in order to be able to access D2L (online-class support system). Check the "Discussion" forum for Econ 620 in D2L regularly, for possible announcements and to share ideas with the rest of the class.

Maryville University Simon School of Business
COURSE SYLLABUS -- SPRING 2010

Course: **ECON 620 -- BUSINESS ECONOMICS**, 3 credits
Instructor: **FELIX B. KWAN**, Ph. D.
Office: **ABAC 2214**
Office Hours: **Tuesdays 2:30 - 4:00 p.m., or by appointment**
Phone: **(314) 529 - 9610**
E-Mail: **fkwan@maryville.edu**

COURSE DESCRIPTION

This course studies how economic forces can affect a business. Topics from both micro- and macroeconomics are included: the basic supply and demand model, market fluctuations, elasticity of demand and a firm's revenues, production costs and profits, measures of economic performance, national output and income, inflation and unemployment, fiscal policy and the government's budget, money and monetary policy, and special topics in economic policy.

If you are required to take ACCT 509 (Financial Accounting) or BUS 545 (Business Statistics), it is important that you take those courses first, before attempting to take ECON 620.

COURSE OBJECTIVES

This course is designed to provide the student with the conceptual tools needed to understand everyday economic problems facing households and businesses. The student will learn how to use a few simple theoretical models to analyze such economic issues as price fluctuations, price controls, inflation, unemployment, recessions, budget deficits, changes in money supply and interest rates, production costs, and business competition.

INSTRUCTIONAL METHODS

The main method of instruction is the interactive lecture. Students will be required to regularly read business news reports, in order to keep abreast of current developments and issues, and to apply classroom concepts in analyzing these issues. Homework assignments will be given regularly to monitor and reinforce the learning process.

Students must read the textbook diligently in order to be able to actively participate in class discussions. Students are also required to pay closer attention to the business section of news reports on TV, in newspapers and magazines, or on the Internet. This is one good way to see how the theoretical concepts apply in actual events or developments; it also provides a good exercise in thinking about real-world issues on a more analytical level.

COURSE REQUIREMENTS

Attendance & Participation -- Because of the condensed nature of the MBA program, attendance in class is very important. Students who miss more than 6 hours (including arriving late or leaving early) will be required to **withdraw from the course**. If one has to miss a class for a VERY IMPORTANT reason, he/she must get a copy of the class notes/assignments from a classmate who has them, **prior to the next session**. Any absence from class will obviously hurt one's performance in the quizzes and exams, and will thus hurt one's grade.

NOTE: Attendance for the first class session is mandatory. Students may not register for the course unless they can attend the first session. Important information about the course and the instructor's expectations are given in the first session; thus, it is imperative that all students be there. If you know that you will have to miss one session, please contact the instructor to discuss that absence.

Quizzes & Homework Assignments -- Problem-sets will be assigned regularly, and will be treated as take-home quizzes. These assignments will include "application-" or "reaction papers" analyzing articles in the BusinessWeek. Late homework will be penalized; very late work is not accepted.

Midterm Exam -- A 1-1/2-hour exam will be given on the fifth session, covering the topics covered in the first four sessions.

Final Exam -- An integrative exam will be given on the final session.

ALL students must take these exams as scheduled.

EVALUATION & GRADING

The student's final grade will be based on:

Quizzes and Homework Assignments	-----	35%;
Midterm Exam	-----	30%;
Final Exam	-----	35%.

Conversion of numeric grades to letters will be as follows:

A = 94 - 100%;	A- = 90 - 93%;	
B+ = 87 - 89%;	B = 83 - 86%;	B- = 80 - 82%;
C+ = 77 - 79%;	C = 73 - 76%;	C- = 68 - 72%;
D = 57 - 67%;	F = 56% and below.	

NOTE: To be fair to all students, NO remedial chances will be given to raise one's grade average. Students should work hard right from the first day of classes.

REQUIRED MATERIALS

Calculator: You will be doing computations in class; a **calculator** would make those easier.

Textbook: **SURVEY OF ECONOMICS, Sixth Edition**, by Irvin B. Tucker, published by South-Western Cengage Learning, 2009.

Required Supplement: **BUSINESSWEEK** Magazine

Please read the note attached at the end of this syllabus about how to subscribe to the BusinessWeek at a special students' rate.

The student is urged to read the textbook diligently. Before coming to each session, he/she is advised to browse through the relevant chapters, focusing on the important concepts indicated in the following "Course Outline". Then after each session, a second (and much more careful) reading is necessary to pick up the finer details of the concepts discussed in class.

COURSE OUTLINE

SESSION NO.	TOPICS (with relevant chapters and important concepts)
Pre-Assignment	Introduction to Economics * Ch. 1 -- Defining Economics, Scarcity, Resources, Macroeconomics vs. Microeconomics, Models in Economics, Positive vs. Normative Statements * Appendix 1 -- Review of, and Working with, Graphs
1	Production Possibilities and Supply & Demand Scarcity viewed in Graphs, Economic Growth, Circular Flow Model, Law of Demand, Law of Supply, Market Equilibrium * Ch. 2 and 3
2	Applications of S&D and Price Elasticity of Demand, Costs & Profit Markets in Action, Price Elasticity of Demand, Business Firms, Accounting versus Economic Costs & Profit * Ch. 4 (incl. Appendix 4), 10, 5, and 6
3	Basic Macroeconomic Concepts: GDP, Business Cycles, and Unemployment GDP, Nominal vs. Real GDP, Business Cycles, GDP Gaps, Labor Force, Unemployment Rate * Ch. 11 and 12

- 4 **Inflation, Aggregate Supply & Aggregate Demand**
Price Index, Inflation, The Aggregate Supply-Aggregate
Demand Model
* **Ch. 13 and 14**
- 5 **MIDTERM EXAM**
- Fiscal Policy**
Discretionary Fiscal Policy, Automatic Fiscal Stabilizers
* **Ch. 15**
- 6 **The Public Sector, Budget Balance, Money & The**
Federal Reserve System
Taxation, Budget Deficits, Public Debt,
Money, Banks, and the Fed
* **Ch 16, 17, and 18**
- 7 **The Banking System and Monetary Policy**
Money Supply, Money Creation, Monetary Policy
* **Ch. 19 and 20**
- 8 **Recap and Exam**
- FINAL EXAM**

NOTE: This syllabus is subject to change at the discretion of the instructor to accommodate instructional and/or student needs.

ACADEMIC ACCOMMODATIONS -- Maryville University provides accommodation and support for students with disabilities as defined by the Americans with Disabilities Act. If you have a documented disability and wish to discuss academic accommodations, please contact the Director of the Academic Success Center located in the University Library (314) 529-6850.

MEMO

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TO: MBA Students of ECON 620

FROM: F. B. Kwan

Date: November 30, 2009

I will be your instructor in Econ 620 (Business Economics) in the Fall-2 term. I am writing this memo to give you some information about getting ready for the course.

We will be using the book ***Survey of Economics, Sixth Edition*** by Irvin B. Tucker as our textbook. I will also be assigning you to regularly read and analyze articles in BusinessWeek. Please see the attached note for more information about getting a subscription to BusinessWeek, if you don't have one yet.

In order to maximize the benefits that you can gain from this course, please spare some time in the next few weeks before our class begins, to review some important terms and concepts of economics. Before coming to our first session, please read Chapters 1 and 2 of our textbook, including Appendix 1 ("Applying Graphs to Economics"). These chapters introduce some basic terms and tools of economic analysis. I will try to make our discussions in this course as intuitive as possible, but we will still need to make sure that our discussions are always logically consistent and theoretically rigorous. One way by which economists clarify their logic and theories is with the use of graphs; we will be using a lot of graphical analyses in our discussions.

Please also note that Economics as a field of study necessarily deals with numbers and values. Therefore, be prepared to use numbers and play with numbers in this course, too. But please do not make this be a cause for anxiety. The math that will be involved in our discussions will be limited to simple computations like percentages and growth rates, or solving for an unknown quantity x in an algebraic equation -- mathematical concepts that you as a graduate-business student are required (and expected) to have mastered anyway. If you are required to take Bus 545 (Statistics) or Acct 509 (Financial Accounting), please take those courses first before attempting Econ 620.

A couple of weeks before our class starts, I will be mailing out a packet containing Problem Set #1. Urgent: Please contact me if you have not received it by January 4.

I look forward to meeting you in class on January 12. Happy Holidays!!!

A few notes on the required materials for ECON 620

I. The **textbook** that we will be using is Irvin Tucker's Survey of Economics, Sixth Edition. Please check the Maryville Bookstore (tel# 314/529-9497) for the availability of this book.

II. Because homework and problem sets will be assigned based on **BusinessWeek**, I will be requiring each of you to have access to current issues of the magazine. Besides, I believe that getting the habit of being up-to-date on events in the world of business and economics will be beneficial to you as a graduate-business student.

The publisher of the magazine (McGraw-Hill) offers a special deal for students: You can get 20 weeks of BusinessWeek for \$20, or 50 weeks for \$40 (rates as of this fall, let's hope they won't change in the spring). However, in order for you to start getting the magazine in time for our class, we must send in the subscription-orders early. Therefore, if you want to get this student rate, please give me the following information by **January 8**:

Your Name

Your Mailing Address

How many weeks you want: **20** or **50** weeks

Your Expected Year of Graduation

You may send these data to me by e-mail: fkwan@maryville.edu. The publisher (McGraw-Hill) will bill you later for your subscription. *If you already have access to current issues of the magazine, please respond (by email) and tell me so. Please also start setting past issues aside, as you may be asked to read articles in them later.*

III. Please read the syllabus carefully and contact me if you have any questions. One word about attendance: while no explicit weight is included for it in the course-grade formula, it will **nonetheless** affect one's grade through the quiz and exam portions. Missing more than one session is not allowed. (I know that it sounds odd to some of you that I'm even writing about this, but a few students in the past needed to be reminded of this point.)

IV. Your first **problem set** for Econ 620 will be mailed to you a couple of weeks before class starts. If you haven't gotten a packet in the mail by **January 4**, please contact me right away. Please work on the problems carefully; your answers will be collected on our first session. If you **respond to me** about BusinessWeek, either to subscribe or to confirm that you already have a subscription, then I'll mail you a photocopy of the articles assigned.

V. Due to the very limited class-time that we have, I strongly urge each of you to use the "discussion forum" for our class in D2L in order to share ideas with one another. Email

accounts are free to every Maryville student; your email access code will work for D2L as well (<http://learn.maryville.edu>). This online-class platform allows each of us to post messages to the group. With this technology available to us, it is not valid to complain about “not having the chance to discuss things with one another ” anymore. The onus is upon each of us to put in the effort to having as much out-of-class discussions as we wish to, through this online medium.

VI. Dates to Remember:

January 4 – you should have received a packet containing Problem Set #1 (which will be collected on our first session).

January 8 – send me your order/mailling information if you want to subscribe to the BusinessWeek magazine through me.

January 12 – you must show up in class for our first session.