



Truth • Virtue • Service

The School of Business and Management is dedicated to equipping Business students to respond ethically, think critically, communicate effectively and perform with excellence as Christians in a changing world¹.

BUSN 216: Principles of Economics II (Micro)

Spring 2009

Tuesdays and Thursdays, 8:00 – 9:15pm, Heath 109

Dr. Scott Browne

Associate Professor of Business and Management

Email: sbrowne@vanguard.edu

Office Hours: By Appointment

Office Location: Heath 203

Office Phone: (714) 556-3610

COURSE DESCRIPTION AND MAJOR REQUIREMENTS

CATALOG DESCRIPTION: Prerequisite: MATH 145C or college algebra. An introduction to the economics of private enterprise and resource allocation, including demand, supply, and elasticity; cost of production; price and output determination under various market structures; and pricing and employment resources.

DETAILED DESCRIPTION: Microeconomics is a social science, focusing on the behavior of individual markets, firms, and consumers. The main areas of interest include pricing, market structures, elasticity of demand, output decisions, producer input choices, market systems, pricing and output regulation, comparative advantage and tradeoffs, public goods, externalities, impacts of regulation and taxation, monopoly and oligopoly behavior, labor markets, and pricing strategies

REQUIRED TEXT:

Economics, 2/E (2008), by Glenn Hubbard and Anthony P. O'Brien
Pearson Prentice Hall, Publishers. ISBN-10: 0-13-600332-X ISBN-13: 978-0-13-600332-8

Textbook Website (for quizzes, study guides, powerpoints: www.prenhall.com/hubbard

This book is used for both macroeconomics and microeconomics for the 2008-09 academic year. Each student should purchase and bring a personal copy of the book to each class session .

¹ Mission Statement of Vanguard University's School of Business and Management

RECOMMENDED READING/SURFING

Wall Street Journal (Daily newspaper and website), *The Economist*(weekly periodical and website). Dismalscience.com (economics website), etc.

LEARNING GOALS AND OBJECTIVES

At the end of this semester course, students satisfactorily completing the course will be able to:

1. Explain and calculate price elasticity of demand, including its prescriptions for firm choices. Explain the factors impacting elasticity of demand.
2. Explain demand, including forces that shift the demand curve, interpret a demand schedule, plot a demand curve, and calculate price elasticity along several points of the demand curve.
3. Explain market supply, including forces that shift the supply curve, interpret a supply schedule, plot a supply curve, and calculate supply elasticity along several points of the supply curve.
4. Explain and graph market equilibrium, and discuss the forces that drive the market to return to equilibrium.
5. Explain the impacts of price controls on market equilibria.
6. Explain and give examples of externalities, including proposed solutions to address the challenge presented by externalities.
7. Explain comparative advantage, and the benefits of specialization and exchange.
8. Explain the concept of public goods, give examples, and discuss the rationale for each.
9. Discuss different forms of corporate governance, and the tax, control, and fund-raising issues of each.
10. Analyze financial statements, including use of net present value.
11. Discuss and graph consumer choice economics.

CORE VALUES AND COMPETENCIES

We, the School of Business and Management, are committed to these timeless core values: integration of our faith, mentorship, academic rigor and substance, and continuous value added partnerships². This course supports and integrates these core values.

The *educational targets and goals of Vanguard University* are integrated into the learning objectives of this course:

intellectual engagement	aesthetic expression	spiritual formation
responsible stewardship	professional excellence	sociocultural responsiveness

The School of Business and Management has identified fundamental skills and foundational principles³ that are essential learning objectives for courses in the business administration field of study:

- primary fundamental:** thinking/problem solving, decision making, ethical reasoning, change dynamics
- secondary fundamental:** communication skills, business tools/technology
- primary foundational:** economics

² Commission Statement of Vanguard University’s School of Business and Management in support of its Mission Statement

³ Vanguard University’s School of Business and Management – WASC Accreditation 2006

COURSE/CLASSROOM EXPECTATIONS:

YOUR JOB: Be here, on time, ever time, for the full time. Read the assigned sections before the class meeting. You should expect to spend 6-9 hours per week outside of class studying for this course, if you expect to earn a high grade. Successful past students have often used the following:

1. Skim the reading assignment, reading only the first sentence of each paragraph.
2. Later the same day, or the next day, read in depth the entire selection. Make sure you read all the boxes, understand all the diagrams, charts, and solved problems.
3. Several hours later, or the next day, choose five or six even-numbered problems at the end of the chapter to work out. AFTER you have done your best, go to the book’s website and compare the author’s answers with yours.
4. Set up a study group to meet one hour per week, at the same time each week. Best size for a study group is usually 3-5 people. Have each member responsible for “teaching” the group the answers to two end-of-chapter problems.
5. Just before the class meeting, set aside 30 minutes to re-skim the assigned reading. You can print out the book’s powerpoints from the website, and make notes on them during the class meeting.

MY JOB: Given your preparation listed above, my job is to extend, enhance, challenge, provide historical context, and discuss current event applications of the assigned reading. You should be prepared to answer questions asked of the students as a group, or directed to you by name. You should take notes...anything presented in lectures and the required reading is fair game for quizzes, homework, and exams.

GRADING

Component	Weight
Exam 1	25%
Exam 2	25%
Exam 3	25%
Final Exam	25%

GRADING SCALE

95-100: A (4.0)	84-86: B (3.0)	74-76: C (2.0)	64-66: D (1.0)
90-94: A- (3.7)	80-83: B- (2.7)	70-73: C- (1.7)	60-63: D- (.07)
87-89: B+ (3.3)	77-79: C+ (2.3)	67-69: D+ (1.3)	0-59: F (0.0)

“Students must achieve a minimum grade of C in all business courses required for undergraduate majors and minors in SBM.”

Vanguard University 2008 – 2009 Academic Catalog

LEARNING DISABILITY

If a student has a documented learning disability, arrangements will be made to accommodate the student's learning needs. The student should make arrangements with the instructor at the beginning of the semester to meet to discuss learning strategies.

POLICY ON INTEGRITY

The School of Business and Management, as an entity within a Christian institution, seeks to operate according to the highest standards of integrity. Mutual respect among all members of the SBM community (students, faculty, and staff) establishes an environment in which learning can take place. Therefore, members of the SBM community are expected to conduct themselves with proper respect toward each other. For the benefit of the community, class time is to be valued through proper preparation, timely attendance, adherence to established deadlines, appropriate use of electronic equipment, and suitable attire. Academic work should always represent members' best efforts. Unethical behavior of any kind damages the SBM community, and should not be tolerated by any of its members.

Academic Dishonesty

Academic dishonesty, either cheating or plagiarism (presenting as one's own, the words or opinions of others), is regarded as a serious violation of both the academic and moral standards of VUSC. Dishonesty in a class assignment or test may result in disciplinary action ranging from a failing grade on the assignment or test up to dismissal from the program. It is the prerogative and responsibility of the instructor to determine if academic dishonesty has occurred and the seriousness of the infraction. The Dean and Associate Provost are to be notified of instances of academic dishonesty.

Examples of a student committing plagiarism include, but are not limited to, allowing his/her work to be:

- Part or all of an assignment copied from another person's assignment, notes or computer file
- Part or all of an assignment copied or paraphrased from a book, magazine, pamphlet or website
- A sequence of ideas transferred from another source which the student has not digested, integrated and reorganized, and to which he/she fails to give proper acknowledgment

Examples of a student being an accomplice in plagiarism include, but are not limited to:

- Allows his/ her paper or other assignment, in outline or finished form, to be copied and submitted as the work of another
- Lends his/ her computer disk to another student or otherwise allows his/ her computer files to be copied for the purposes of plagiarism
- Prepares a written assignment for another student and allows it to be submitted as another's work

Electronic Plagiarism

There are three forms of plagiarism involving the use of computers and electronic storage of text.

1. Printing two or more copies of the same research paper, which are used to fulfill the requirements for more than one class without the consent of the professor(s). Some professors permit multiple submissions of papers, but others require that a paper be unique and original for each course. Submitting a paper previously used in another class, submitting a duplicate copy of a paper being used in another class or revising a paper used in an earlier class or used in another class during the same semester is unacceptable, unless you have obtained the express permission of your professor(s). If you are not sure about your professor's policy on the use of papers for more than one class, be sure to ask rather than turn in your work based upon an assumption of what will be accepted.

2. Using material from another student's paper. Block copying allows the transportation of whole sections or paragraphs of one paper to be merged into another paper. Plagiarism is the use of someone else's words or ideas without crediting that person, with or without the permission of the original writer to use his/ her ideas. All material borrowed verbatim must be put in quotation marks and credited appropriately, regardless of the source. All ideas borrowed and turned into your own words must also be credited appropriately. You are prohibited from transporting whole sections of text from one student's paper into another student's paper, regardless of how much revision is done to the copied material.
3. Two or more students handing in copies of the same research paper or assignment, with each student claiming individual credit for the work. To avoid the accusation of collaboration in plagiarism, a student should not lend his/ her disks to another student, who might copy an assignment from the disk.

COURSE OUTLINE

Date	Text Chapters (read <i>before</i> meeting!)	Activities/deliverables
Jan 13-15	syllabus, administration, introduction, Chapter 1 + Appendix	
Jan 20/22	Chapter 2	
Jan 27-29	Chapter 3	
Feb 3-5	Chapter 4	
Feb 10-12	TEST 1: Chapters 1,2,3, and 4 (25% of your grade)	
Feb 17-19	Chapter 5	
Feb 24-26	Chapter 6	
March 3-5	Chapter 8 + appendix	
March 10-12	TEST 2: Chapters 5, 6, and 8 (25% of your grade)	
March 17-19	SPRING BREAK	
March 24-26	Chapter 9+ appendix	
March 31-April 2	Chapter 10 plus appendix	
April 7-9	Chapters 11 and 14	
April 14-16	TEST 3: Chapters 9, 10, 11, and 14 (25% of your grade)	
April 21-23	Chapters 12 and 13	
April 28-30	Chapter 15	

Tuesday, 5/5/09, 8-10am – FINAL EXAM, comprehensive! (25% of your grade)

HINTS FOR “A” STUDENTS: Based upon my experience in this course, I suggest that students setting a goal of earning a grade of “A” in this course do the following:

1. Schedule 6-9 hours of study each week outside our class meetings.
2. Read the scheduled chapters BEFORE the class meeting.
 - a. First, skim by reading the first sentence of each paragraph in the chapters.
 - b. At least four hours after skimming, deep-read the same chapters, carefully reading all tables, boxes, and chapter –ending materials.
 - c. The day before the class meeting, print out the chapter powerpoints from the text website, take the online quiz, and skim the chapters again, making notes and questions on the powerpoint printouts.
3. Attend all class meetings.
4. Take notes during class, and review and summarize your class notes later that day or the next day.
5. Schedule a one-hour weekly study group meeting, where your group (best size is three or four) will work through all the exercises at the ends of the text chapters...you never really learn anything until you have to explain it to somebody else!

Of course, there will be students who do less than this, and still earn great grades...but that is very rare.

Of course, there will be students who work really hard, yet earn poor grades...but that is rarer still!

PROFESSIONAL CODE OF CHARACTER

University coursework prepares students for the workplace. Therefore, the following Professional Code of Character is expected from all students:

1. **Integrity** is a valued character trait. *“People with integrity have firm footing, but those who follow crooked paths will slip and fall.”* (Proverbs 10:9) Students will:
 - a. Be righteously trustworthy. This includes refraining from plagiarism, cheating, or aiding another student in such. For additional information about consequences of unethical behavior students should refer to the Vanguard University Student Handbook.
 - b. Be Christ followers who keep each other accountable, as well as extend grace and encouragement.
 - c. Do work as unto the Lord. Student work is to be representative of their best effort, complete, and on time.
 - d. Be mindful that when we stumble we admit to it, repent, and seek restoration and forgiveness.
2. **Respectfulness** is a valued character trait—of the Lord, to each other, of yourself, to your professor, and to staff and administrators. *“Show proper respect to everyone; Love the brotherhood of believers, fear God, honor the king.”* (1 Peter 2:17) Students will:
 - a. Be on time—to class or turning in assignments.
 - b. Turn off and put away cell phones while in class, performing an assignment, or taking an exam.
 - c. Use laptops in the classroom only as permitted by the professor for appropriate coursework. Any type of recording, copying, or photographing of the professor, fellow students, or course materials is not permitted without prior approval of the professor.
 - d. Practice appropriate attire and hygiene for a professional, university environment.
 - e. Use bathroom facilities before or after class.
 - f. Clean up after themselves. Eating or drinking in the classroom is permitted at the discretion of the professor.

“I know the plans I have for you says the Lord, plans for good and not for evil, to give you a future and a hope.” Jeremiah 29:11