



## SAINT LOUIS UNIVERSITY, MADRID CAMPUS

### Faculty of Business Administration & Economics

#### 1 Course Information

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Course Title:	Principles of Microeconomics
Course Number:	ECON-1930
Semester:	Fall 2017
Section:	M01
Prerequisite:	MATH-1200 (or equivalent)
Credit Hours:	3
Meeting Day(s):	Monday and Wednesday
Meeting Time(s):	7.00pm-8.15pm
Room:	PRH 16

#### 2 Instructor Information

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Name:	Aránzazu Narbona, PhD
E-mail:	narbonamoreno@slu.edu
Office Location:	Business Department, Attic Padre Arrupe Hall
Office Hours:	By appointment.
Contacting me:	First, ask questions in class (it helps and others will likely have the same questions). Second, come see me during my office hours as listed above. Third, if neither of these options is possible, please send me an e-mail and alternative arrangements can be decided on.

#### 3 Textbook and Other Instructional Material

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Required Reading: *Economics*, 3<sup>rd</sup> edition. N. Gregory Mankiw and Mark P. Taylor. 2014. South-Western.

Supplements: Occasional papers will be given to you. These will be delivered to you in class, and will be used for discussion purposes to explain classroom concepts in the context of the Spanish/Global economy.

#### 4 Course Description

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This course provides an introduction to microeconomics, which attempts to understand the economy from an individual perspective. Consistent with the idea of a “principles” class, we will focus on a core set of fundamental concepts that help us to understand a broad range of microeconomic issues. Economics is the study of how individuals, firms, and markets make

decisions when faced with situations of scarcity. This course will provide an introduction to the economic approach to analyzing the choices and resultant decisions under these conditions. Applying broader economic principles, we will see the consequences and repercussions of free trade and globalization, sources of unemployment, the role and effects of taxes in the economy, and the function of government intervention. Setting these principles against the backdrop of the Spanish and global economies, we will learn how economics provides useful tools for analyzing the world in which we produce and consume.

## 5 Course Outline

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The course is divided into three sections. The first will introduce the *economic problem*, several basic and critical economic principles, and demonstrate how the market allocates resources between participants. The second will focus on illustrating some basic *microeconomic* phenomena. In particular it will focus on the equilibrating tendencies of individual behavior by both consumers and producers within the marketplaces well as phenomena that disrupt this balance. The final section will focus on *market structures*, from competitive to monopolistic, and create a framework to understand production decisions by firms.

## 6 Learning Objectives

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After successfully completing *Principles of Microeconomics*, students will be able to:

1. Apply concepts of opportunity cost and marginal analysis.
2. Explain how the market system operates in response to changes to demand, supply, and market equilibrium.
3. Define, calculate, and interpret elasticities of supply and demand.
4. Apply market and welfare analysis to examine the qualitative effects of changes in market conditions, government policies such as price controls, taxes and externalities/public goods.
5. Understand how the competitiveness of the market structure affects prices, quantities and, ultimately, profits of firms acting within it.

## 7 Course Requirements

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Grading: Letter grades are based on a 100 percent grading scale. The percentage you earn determines your course letter grade (i.e., your “final grade” in this course).

Grading Scale: A mark of  $x$  on an examination or assignment will result in a(n):

$90.0 \leq x < 95.0 = A-$	$95.0 \leq x \leq 100 = A$	
$80.0 \leq x < 83.0 = B-$	$83.0 \leq x < 87.0 = B$	$87.0 \leq x < 90.0 = B+$
$70.0 \leq x < 73.0 = C-$	$73.0 \leq x < 77.0 = C$	$77.0 \leq x < 80.0 = C+$

$$60.0 \leq x < 70.0 = D$$

$$x \leq 59.9 = F$$

Grade Breakdown:	Examinations (20% each):	40%
	Exercises:	20%
	Weekly Quizzes:	15%
	Writing Assignment:	15%
	<u>Attendance and Participation:</u>	<u>10%</u>
	<b>Total:</b>	<b>100%</b>

Midterm Exams: The midterm examinations (October 18<sup>th</sup> 2017) will be given as closed book, containing questions ranging from multiple choice, short answer and essay (but not easy) questions.

Final Exam: The final examination (December 18<sup>th</sup> 2017) will not be cumulative though as economics is a logic-based science, an understanding of the whole course will be necessary to perform well.

Quizzes: At the end of each month class we will have a brief 15 minute quiz. The quiz will test subject matter learnt the previous week. In total this accounts for 15% of your final grade, which makes each quiz worth approximately 1% of your final grade. I will drop your lowest two scores. The quizzes are not meant to be tricky or overly difficult, but to ensure that you are up to date on the course material and allow me to gauge this.

Writing Assignment: One short writing assignment will be assigned during the second half of class. Students will be expected to write a short creative expose on a topic to be determined later, incorporating concepts that they have learned throughout the semester. This assignment will be posted on Blackboard for download.

Late Policy: Midterm and final examinations must be written on their respective dates. No alternative examinations will be scheduled except in the case of excused medical absences. Cases of excused medical absences must be petitioned for through the Chair of the department. Make-up midterms are subject to approval by the professor, the Chair and the Department of Business and Economics. All changes to the final examination must be approved by the Academic Dean. .

Attendance: Consistent attendance is strongly encouraged for a thorough understanding of the concepts at hand. Active participation in classroom discussions is an instrumental component of this process. Concepts that are unclear to you personally are likely concerns shared among your peers as well. Economics is not a science which can be learned in isolation quickly prior to being graded. A strong correlation between classroom attendance and participation and course comprehension exists, and will reflect not only in this component of the grading scheme, but also in your examination marks as well. Students will be responsible for all announcements, information, problems or course changes that are made during lecture times. Students who wish to refrain from classroom participation may see me, and alternatives may be arranged.

Please show up to class regularly and promptly. Lateness is not only disruptive, it is inexcusable (unless you have a valid excuse). I make a strong effort to give timely performance in class and expect the same of you.

The 10% of your final grade allocated to attendance is objectively determined. Three unexcused absences are permitted over the semester. After that, each unexcused absence reduces your attendance grade by 10%. I take random attendance over the semester to gauge this.

**Warning:** If you want to receive a good grade it is vital that you attend class and stay current with the material. If you miss a class for any reason it is up to you to obtain notes through someone else. I am more than happy to discuss economics (topics discussed either in class or ones that have special interest to you). However, do not expect me to repeat or summarize any lectures that you have missed.

**Important Dates:**

Sep. 17: Last day to drop a class without a grade of W or to add a class. Last day to choose audit (AU) or pass/no pass (P/NP) options.

Oct. 30: Last day to drop a class and receive a grade of W.

Nov. 2: Registration for spring 2018 semester opens.

## **8 Accommodation Statement**

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In recognition that people learn in a variety of ways and that learning is influenced by multiple factors (e.g., prior experience, study skills, learning disability), resources to support student success are available on campus. Students who think they might benefit from these resources can find out more about:

1. Course-level support (e.g., faculty member, departmental resources, etc.) by asking your course instructor.
2. University-level support (e.g., tutoring/writing services, Disability Services) by visiting the Academic Dean's Office (San Ignacio Hall) or by going to [http://spain.slu.edu/academics/learning\\_resources.html](http://spain.slu.edu/academics/learning_resources.html).
3. Students who believe that, due to a disability, they could benefit from academic accommodations are encouraged to contact Disability Services at +34 915 54 58 58, ext. 204, send an e-mail to [counselingcenter-madrid@slu.edu](mailto:counselingcenter-madrid@slu.edu), or to visit the Counseling Office (San Ignacio Hall). Confidentiality will be observed in all inquiries. Course instructors support student accommodation requests when an approved letter from Disability Services has been received and when students discuss these accommodations with the instructor after receipt of the approved letter.

## **9 Academic Honesty and Plagiarism**

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The University is a community of learning, whose effectiveness requires an environment of mutual trust and integrity, such as would be expected at a Jesuit, Catholic institution. As members of this community, students, faculty, and staff members share the responsibility to

maintain this environment. Academic dishonesty violates it. Although not all forms of academic dishonesty can be listed here, it can be said in general that soliciting, receiving, or providing any unauthorized assistance in the completion of any work submitted toward academic credit is dishonest. It not only violates the mutual trust necessary between faculty and students but also undermines the validity of the University's evaluation of students and takes unfair advantage of fellow students. Further, it is the responsibility of any student who observes such dishonest conduct to call it to the attention of a faculty member or administrator.

Examples of academic dishonesty would be copying from another student, copying from a book or class notes during a closed-book exam, submitting materials authored by or editorially revised by another person but presented as the student's own work, copying a passage or text directly from a published source without appropriately citing or recognizing that source, taking a test or doing an assignment or other academic work for another student, tampering with another student's work, securing or supplying in advance a copy of an examination without the knowledge or consent of the instructor, and colluding with another student or students to engage in an act of academic dishonesty.

Where there is clear indication of such dishonesty, a faculty member or administrator has the responsibility to apply appropriate sanctions. Investigations of violations will be conducted in accord with standards and procedures of the school or college through which the course or research is offered. Recommendations of sanctions to be imposed will be made to the dean of the school or college in which the student is enrolled. Possible sanctions for a violation of academic integrity include, but are not limited to, disciplinary probation, suspension, and dismissal from the University. The complete SLU Academic Honesty Policy can be found at the following link: [http://spain.slu.edu/academics/academic\\_advising/docs/Academic\\_integrity.pdf](http://spain.slu.edu/academics/academic_advising/docs/Academic_integrity.pdf)

## 10 Student Outcome Assessment

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Saint Louis University-Madrid Campus is committed to excellent and innovative educational practices. In order to maintain quality academic offerings and to conform to relevant accreditation requirements, we regularly assess our teaching, services, and programs for evidence of student learning outcomes achievement. For this purpose we keep on file anonymized representative examples of student work from all courses and programs such as: assignments, papers, exams, portfolios, and results from student surveys, focus groups, and reflective exercises. *Thus, copies of your work for this course, including any exams, assignments and/or submitted papers may be kept on file for institutional research, assessment and accreditation purposes.* If you prefer that Saint Louis University-Madrid Campus does not keep your work on file, you will need to communicate your decision in writing to your professor.

## 11 Title IX

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Saint Louis University and its faculty are committed to supporting our students and seeking an environment that is free of bias, discrimination, and harassment. If you have encountered any form of sexual misconduct (e.g. sexual assault, sexual harassment, stalking, domestic or dating violence), we encourage you to report this to the University. If you speak with a faculty member about an incident of misconduct, that faculty member must notify SLU's Title IX deputy coordinator, Marta Maruri, whose office is located on the ground floor of Padre Rubio Hall, Avenida del Valle, 28 ([mmaruri@slu.edu](mailto:mmaruri@slu.edu); 915-54-5858 ext. 213) and share the basic fact of your experience with her. The Title IX deputy coordinator will then be available to assist you in understanding all of your options and in connecting you with all possible resources on and off

campus.

If you wish to speak with a confidential source, you may contact the counselors at the SLU-Madrid's Counseling Services on the third floor of San Ignacio Hall ([counselingcenter-madrid@slu.edu](mailto:counselingcenter-madrid@slu.edu); 915-54-5858 ext. 230) or Sinews Multipletherapy Institute, the off-campus provider of counseling services for SLU-Madrid ([www.sinews.es](http://www.sinews.es); 91-700-1979) To view SLU-Madrid's sexual misconduct policy and for resources, please visit the following web address: [www.slu.edu/Documents/Madrid/campus-life/SLUMadridSexualMisconductPolicy.pdf](http://www.slu.edu/Documents/Madrid/campus-life/SLUMadridSexualMisconductPolicy.pdf)

## 12 Reading Schedule

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Please complete all the following readings prior to each class. We may progress slower or faster than the following outline, hence, all dates are subject to change. Examination dates are finalized. Supplementary readings may be assigned prior to each class to aid in the following class' discussion.

### TENTATIVE SCHEDULE FALL 2017

#### I. THE ECONOMIC FRAMEWORK

Week	Sessions	Lectures	Assignment
1 <sup>st</sup>	Sep 4-6	Introduction <b>Week 1 No class. Make-up classes during review sessions (TBA)</b>	Chapter 1
2 <sup>nd</sup>	Sep 11-13	Thinking like an Economist	Chapter 2
3 <sup>rd</sup>	Sep 18-20	Interdependence and Gains from Trade	Chapter 3
4 <sup>th</sup>	Sep 25-27	The Market Forces of Supply and Demand	Chapter 4 <b>QUIZ #1</b>

#### II. THE MARKET FORCES OF SUPPLY AND DEMAND

5 <sup>th</sup>	Oct 2-4	Elasticity	Chapter 5
6 <sup>th</sup>	Oct 9-11	Government Policies	Chapter 6
7 <sup>th</sup>	<b>Oct 16-18</b>	Midterm review. <b>MIDTERM</b>	
8 <sup>th</sup>	Oct 23-25	The Efficiency of Markets	Chapter 7
9 <sup>th</sup>	Oct 30-Nov 1	Costs of Taxation <b>Nov 1 National Holiday. No class.</b>	Chapter 8
10 <sup>th</sup>	Nov 6-8	International Trade	Chapter 9 <b>QUIZ #2</b>

#### III. MARKET STRUCTURES

11 <sup>th</sup>	Nov 13-15	Externalities Public Goods	Chapter 10 Chapter 11
12 <sup>th</sup>	Nov 20-22	Costs of Production	Chapter 13
13 <sup>th</sup>	Nov 27-29	Competitive Markets	Chapter 14 <b>QUIZ #3</b>
14 <sup>th</sup>	Dec 4-6	Monopoly <b>Dec 6 National Holiday. No class.</b>	Chapter 15
15 <sup>th</sup>	Dec 11-13	Monopolistic Competition	Chapter 16
16 <sup>th</sup>	<b>Dec 18-20</b>	<b>FINAL EXAM</b>	TBC <b>QUIZ #4</b>

**\*\* End of semester \*\***