Lives of Significance and Service
NORTH PARK UNIVERSITY CHICAGO

School of Business and Nonprofit Management
Course Syllabus

Course: Microeconomics; SBNM-5212
Academic Year: 2013 **Semester/Quad:** Winter Quad A

Professor: Mr. Emile Cambry, Jr.

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Availability:

Please contact me via email. I will reply within 24 hours during the week and within 48 hours on weekends. Also, if necessary, telephone conversations can be requested (send email to request times).

Course Description:
In this course, Microeconomic analysis is based on the study of markets and how they serve to allocate scarce, productive resources in order to produce and distribute goods and services. Markets represent the basic context in which exchanges are conducted between buyers and sellers. A "market economy" is a system in which these exchanges are made based on supply and demand. Market economies are found throughout the world, and are becoming the predominant system of exchange.

Adam Smith, a professor of moral philosophy, observed the market process over two hundred years ago. He found that the self- interest of an individual (choosing, for example to be a producer of goods) worked to the advantage of another person who was willing and able to buy the goods. Self-interest, he believed, provided for an internal ethical symmetry in markets.

Microeconomics presents students with the analytical tools which can be applied to solving problems encountered in business. Mathematics, including calculus, will also provide essential quantitative methods to be used in solving problems encountered in the business world. Managerial decision-making and the role of strategy will be emphasized in the context of a changing business environment. Discussions will include the ethical dimensions of business problems and issues.

Introductory Comments:

Welcome to the course. I look forward to exploring this course with you

Course Materials:

REQUIRED

Salvatore, D. (2008). Microeconomics Theory and Applications, Fifth edition. Oxford University Press. ISBN 9780195336108

Essential IDEA Objectives:

1. Gaining factual knowledge (terminology, classifications, methods, trends).
2. Learning fundamental principles, generalizations, or theories.
3. Learning to apply course material (to improve thinking, problem solving, and decisions).

Specific Course Objectives:

The following Learning Objectives for this course are established in order for students to become better able to:

1. Apply the concepts of supply, demand, market equilibrium.
2. Analyze the process of resource allocation, and the relationship to costs of production.
3. Apply the various concepts of elasticity: price, income, and cross elasticity.
4. Acquire a basic understanding of leading theories and models of the structure of markets and industries.
5. Identify the major characteristics of the contemporary market based economy: property, exchange, transactions cost, utility, and profits/losses.
6. Learn how to interpret the behavior and choices made by consumers in markets using indifference curve analysis.
7. Explain the determination of relative prices in barter and money economies.
8. Explain the concept of profit maximization, and compare it to revenue maximization and other goals of the firm.
9. Apply the notion of economic time periods: immediate (market) run, short run, and long run to production, cost
10. Explore the basic concepts underlying the demand for factors of production.
11. Appraise the effects of business strategy, game theory, and forms of competition.
12. Apply knowledge and information as decision making concepts.
13. Explore the concepts of positive and negative externalities, and the notion of public goods.
14. Explain how the study of microeconomics can provide a strong set of analytical tools for ethical managerial decision-making.

Course Methodology:

In this course, we'll be doing practice problems to apply the theoretical framework with practical application. We will also do a considerable amount of group work so students have an opportunity to learn from each other.

Computer Requirements:

In order to effectively participate in and successfully complete this course, each participant will need to have access to a computer and a high-speed internet connection. Please visit http://www.northpark.edu/Campus-Life-and-Services/Information-Technology/Network/Minimum-Requirements for information on computer requirements.

Technical Skills Required:

None out of the ordinary

Schedule of Weekly Assignments:

Week	Dates	Topics	Assignment(s)
1	*1/15/13*	Introduction to economic analysis	Read Chapter 1, 2, 5, Assignment 1
2	*1/22/13*	Market Analysis and Mathematical Tools	Read Chapter 1,2, 5 Assignment 2
3	*1/29/13*	Consumer Behavior	Read Chapter 3, Assignment 3
4	*2/5/13*	Production Theory	Read Chapter 4, Midterm Exam
5	*2/12/13*	The Cost of Production	Read Chapter 5, Assignment 4
6	*2/19/13*	Market Structures	Read Chapter 6, Assignment 5
7	*2/26/13*	Market Regulation; Game Theory; Input Pricing	Read Chapter 7, Final Exam

Assignments by Session

All assignments will be multiple choice questions from the chapter reading

Week 1: Introduction
Chapters 1, 2, 5
Introduction to economic analysis; the scientific method and model-building; the concept of the margin and ceteris paribus; the market system; the circular flow model; the role of business firms; positive and normative economics. Basic elements of supply and demand analysis; measures of elasticity: price, income, and cross elasticity.

Week 2: Market Analysis and Mathematical Tools
Chapters 1, 2, 5
The relationship between average revenue (price), total revenue, marginal revenue, and price elasticity of demand; income elasticity and cross elasticity; differential calculus; partial elasticity measures; Porter's five competitive forces.

Week 3: Consumer Behavior
Chapters 3, 4, 6
Consumer Behavior: Classical utility theory; demand and utility; risk and uncertainty; consumer Behavior: the indifference curve approach; derivation of the demand curve using indifference curves.

Week 4: Production Theory
Chapter 7
The production function; the short-run and increasing and diminishing returns; the long-run and increasing, decreasing, and constant returns to scale; isoquant and isocost analysis; the Cobb-Douglas production function; homogeneous functions; Euler's theorem.

Week 5: The Cost of Production
Chapter 8
Cost analysis; empirical evidence; strategic cost analysis; the production-cost chain; increasing, decreasing and constant cost industries; types of competitive strategies; cost drivers; re-evaluation of the production-cost chain; strategic alliances.

Week 6: Market Structures
Chapter 9,10, and 11
Profit maximization and other goals of the firm; break-even analysis; analysis of risk; social responsibility; revenue maximization and market share. The model of perfect competition; the economics of imperfect competition; monopoly, oligopoly, and monopolistic competition.

Week 7: Market Regulation; Game Theory; Input Pricing
Chapter 12, 13, and 14

The welfare loss of monopoly; efficiency and regulation; basic antitrust laws; market share and rivalry; cartels; game theory. Analysis of firms with multiple prices, plants, products, and objectives; price discrimination; target return price; other pricing strategies; resource markets; determination of profit maximizing input level.

Grading:

Assignment	Points	Grade %
Exam 1	250	25%
Exam 2	250	25%
Assignments 1-5	250	25%
Participation and Attendance	250	25%
Total	1000	100%

Grade Mapping:

Numeric Grade	Letter Grade	Numeric Grade	Letter Grade	Numeric Grade	Letter Grade
950-1000	A (95-100%)	800-820	B- (80-82%)	670-700	D+ (67-70%)
900-940	A- (90-94%)	770-790	C+ (77-79%)	630-660	D (63-66%)
870-890	B+ (87-89%)	730-760	C (73-76%)	600-630	D- (60-63%)
830-860	B (83-86%)	700-720	C- (70-72%)	<600	F (<60%)

Assignment Grading Policies:

Assignments will be graded according to the rubrics given. Grades, and instructor feedback, will be posted in Moodle.

Please be aware that any late submission of an assignment will incur a penalty. A late submission which is received within 24-hours of the deadline will be assessed an automatic 10% point deduction, and a submission which is received 24-48 hours after the deadline will be assessed an automatic 20% point deduction. No submissions will be accepted over 48-hour past the deadline.

Student Responsibilities:

Come ready to participate.

Instructor Responsibilities:

As your instructor, I will:

- Provide updated information on relevant resources for the various topics of interest
- Read and critically assess students' assignments and provide feedback within 7-10 days of receipt
- Facilitate a participant-centered course experience, which focuses on student learning

- Respond to all student e-mails within 48 hours of receipt (target is 24 hours)
- Respond to all student phone calls within 48 hours (target is 24 hours)

POLICY STATEMENTS

Academic Honesty

In keeping with our Christian heritage and commitment, North Park University and the School of Business and Nonprofit Management are committed to the highest possible ethical and moral standards. Just as we will constantly strive to live up to these high standards, we expect our students to do the same. To that end, cheating of any sort will not be tolerated. Students who are discovered cheating are subject to discipline up to and including failure of a course and expulsion.

Our definition of cheating includes but is not limited to:

1. Plagiarism – the use of another's work as one's own without giving credit to the individual. This includes using materials from the internet.
2. Copying another's answers on an examination.
3. Deliberately allowing another to copy one's answers or work.
4. Signing an attendance roster for another who is not present.

In the special instance of group work, the instructor will make clear his/her expectations with respect to individual vs. collaborative work. A violation of these expectations may be considered cheating as well.
For further information on this subject you may refer to the Academic Dishonesty section of the University's online catalog.

In conclusion, it is our mission to prepare each student for a life of significance and service. Honesty and ethical behavior are the foundation upon which such lives are built. We therefore expect the highest standards of each student in this regard.

Attendance Policy for Graduate Courses

The graduate courses in the SBNM are all 7 weeks in length. Missing one class session is allowed without penalty as long as all readings and assignments are made up by the student within a reasonable time period (the following week). Failing to log into an online course site for an entire week is allowed, but a penalty may be applied at the instructor's discretion. Missing a second class session is allowed only in unusual circumstances by prior arrangement with the instructor. Since this represents almost 30% of the engagement time for the course, the student runs the risk of receiving a lower overall grade for the class. Faculty are encouraged to drop the course grade by a full letter grade in this situation. A student who misses three classes (or the equivalent two weeks for an online class) will automatically fail the course, unless the student drops the course before the seventh week of class. Students who drop a course will be held responsible for tuition, based upon the current North Park University refund policy outlined in the University Catalog.

Attendance Policy for Undergraduate Courses

Attendance and participation are vital. Thus, students are expected to attend every class session, and to arrive on time – tardiness is undesirable and disruptive to your fellow classmates. This course has a strict requirement of documented, advance notification. If you are unable to attend any class session, you are to inform me (preferably by email) ***prior to*** that session. You need to provide a reason for your absence.

Failure to provide advance notification will result in an unexcused absence. Be advised that poor attendance can affect your grade adversely

APA Requirement

The School of Business and Nonprofit Management (SBNM) has adopted the *Publication Manual of the American Psychological Association* (APA) as the standard and required format for all written assignments in SBNM courses.

Our goal in adopting the *APA Manual* is to enhance student learning by:

1) Improving student's writing skills.
2) Standardizing the required format of all written assignments in all SBNM courses.
3) Emphasizing the importance of paper mechanics, grammatical constructs, and the necessity of proper citations.
4) Holding students accountable for high quality written work.

If you are unfamiliar with the requirements of the *APA Manual*, we recommend that you purchase the reference manual and/or that you consult one or more of the suggested resources as listed on the Student Resources section of the SBNM website. ***It is your responsibility to learn and ensure that all written work is formatted according to the standards of the APA Manual.***

Students with Disabilities

Students with disabilities who believe that they may need accommodations in this class are encouraged to contact your program's office (Business: 773-244-6270). Please do so as soon as possible to better ensure that such accommodations are implemented in a timely manner. For further information please review the following website: http://www.northpark.edu/ada