BADM 604, Section 81 (CRN 12680)
Foundations of Economics

Tuesday 5:45-8:30pm - Room 330 Bond Hall

Dr. Sobel  Fall 2015

Office Hours: 4:15-5:15pm Tuesdays & Thursdays or by appt.
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Note: please make sure you get the full Economics (not just micro- or macro-economics) book. Note that they quit publishing the workbook for the 15th edition, so while we are using the 15th edition text, we are using the 14th edition workbook.

I will be taking my exam questions pretty much straight from the workbook or based very heavily on the questions in the workbook. Doing the workbook is the best way to prepare for my exams. Focus on the True/False, Problems and Projects, and Multiple Choice sections in the workbook.

Errors in workbook: In Chapter 11, you should delete multiple choice questions 13 and 14, and renumber the remaining questions (15-20) as 13-18 to match the answer key (i.e., answers 1-12 match the questions, but the answers numbered 13-18 go with questions 15-20). Also, in Chapter 11, delete T/F question 12, and in Chapter 9 delete Problem & Project question #2 (both of these last two have errors/issues).

Course Description:
Three Credit Hours. This course introduces students to microeconomics (the study of individual economic units, including product markets, individual consumers, and firms) and macroeconomics (the study of broad economic aggregates such as gross domestic product).
Prerequisite: None.

Accelerated Course Information:
This course will attempt to cover what is normally two semesters of economics (microeconomics and macroeconomics) in one semester. This means we will have to skip around within chapters and only cover the most important parts. This will create an issue for you if you do not attend classes as it will be difficult for you to know what we did and didn’t cover from each chapter.
Course Objectives and Learning Outcomes:
1. Students will define and relate the concepts of scarcity, choice, and opportunity cost.
2. Students will use the supply and demand model to determine how prices and output are impacted by changes in underlying factors that shift supply and demand.
3. Students will be able to measure and calculate unemployment, inflation, and GDP.
4. Students will use the basic AS/AD model to determine how the price level and level of output (GDP) are impacted by macroeconomic shocks, including monetary and fiscal policy actions.
5. Students will identify the factors that contribute to or hinder long run economic growth and development.
6. Students will demonstrate and understand the factors impacting consumer choice.
7. Students will be able to calculate and demonstrate the importance of elasticity of demand.
8. Students will use the basic AS/AD model to determine how the price level and level of output (GDP) are impacted by macroeconomic shocks, including monetary and fiscal policy actions.
9. Students will demonstrate and understand the importance of why nations trade and gains from trade.

Grading:
Students will be graded on the basis of three exams (2 midterms and a cumulative final) and a combined “participation/quiz/homework” grade (more details on each below). The grading weights and grading scale for the class are:

<table>
<thead>
<tr>
<th>Grading Weights:</th>
<th>Grading Scale:</th>
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</thead>
<tbody>
<tr>
<td>Mid-term Exam 1</td>
<td>30%</td>
</tr>
<tr>
<td>89.50 and up A</td>
<td></td>
</tr>
<tr>
<td>Mid-term Exam 2</td>
<td>30%</td>
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<tr>
<td>79.50 - 89.49 B</td>
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<tr>
<td>Final Exam</td>
<td>20%</td>
</tr>
<tr>
<td>69.50 - 79.49 C</td>
<td></td>
</tr>
<tr>
<td>Participation/Quiz/HW Avg.</td>
<td>20%</td>
</tr>
<tr>
<td>below 69.49 F</td>
<td></td>
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<tr>
<td>100%</td>
<td></td>
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</tbody>
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a) In-class Exams:
There are three in-class exams: two midterm exams and one cumulative final exam. We will decide on the date for the midterms during class. The final exam will be held according to The Citadel’s final exam schedule: Tuesday, December 8 at 5:45pm.

b) Participation/Quiz/Homework Grade:
Your grade for this category will be based on whether you attend, stay awake, participate, and pay attention. In addition I may elect to give unannounced quizzes during class (or as homework) based on the material I am covering. I will combine your grades on these assignments with your attendance record, and will also take into account if you have stayed awake, participated, and been attentive in class. My intention is that as long as you come to class, stay awake, and pay attention, you should be able to get really good grade on this component. The quizzes will not be quizzes that test whether you read material prior to coming to class unless I specifically state this in advance.

c) Extra Credit “Bump Points”:
There are always students who end up “one point away” from the next grade cutoff. Thus, I offer you an opportunity to earn up to two “bump points” that will bump you up to the next letter grade if you end up close to a final grade cutoff. Bump points ONLY come into play if you are near a grade cutoff. My sole intention for making this opportunity available is so that you will not be caught “one point away” from the next letter grade if you have taken the opportunity to do this additional work.
If you have earned both bump points for your assignment, you can earn an “A” with a final average of only 87.5 rather than an 89.5.

You can earn bump points by turning in at the beginning of each of our two mid-term exams a 2 to 3 page (typed, double spaced, 12 point font, 1 inch margins) essay that discusses a recent newspaper article using and relating to the ideas we are discussing in the class. Only one article may be turned in per mid-term exam and they can only be turned in at the exam. This opportunity does not include the final exam, only the two midterms. Each is worth one point. Thus, there are 2 possible bump points. To receive credit you must provide me with a copy of the article and clearly mark the reference (the source, the date, page number, etc.). The article may not be over 6 months old. Please staple the article to your essay.

You may not copy or plagiarize any part of your essay from another source, it should be your own personal writing—this is an individual assignment. Because this is an extra credit opportunity, it will be YOUR responsibility to remember this opportunity exists and take advantage of it in a timely manner. I will NOT remind you in class of this opportunity. If you do not turn one in at the first (midterm) exam, you will only be able to earn a maximum of one bump point by turning one in at the second mid-term exam.

Study Tips and Other Suggestions:
As mentioned on the first page, doing the questions in the workbook (called the “coursebook”) is the best way to prepare for the exams. In addition, in the main textbook, all important terms are highlighted, with definitions in the margin. Looking at these will also help. My exams will be heavily based on my lecture content and the workbook.

Students with Disabilities:
If you need accommodations because of a disability, please contact Dr. Jane Warner in 103 Thompson Hall or call 843-953-1820 to schedule an appointment. If your request for accommodations has already been approved, and you have your accommodation letter, please see the instructor as soon as possible during office hours.

CSB Student Code:
You are expected to understand and live by The Citadel School of Business (CSB) student code provided below.
CIVILITY
I will treat classmates, professors, and CSB staff with respect.
I will display a healthy tolerance for individual differences in demographics, gender, race, religion, and thought.
I will respect the authority rules, and regulations of The Citadel.
SCHOLARSHIP
I will continue to develop and demonstrate a passion for learning.
I will be intellectually honest.
BEHAVIOR
My behavior will be professional and ethical and reflected in my preparation for class, my attendance in class, my conduct in class, and my relationships within the CSB community.
ATTITUDE
My attitude will reflect teamwork, personal responsibility, and a positive approach to being a member of the class.
Tentative Course Outline

1. The Economic Way of Thinking & Market Processes
   Chapter 1: The Economic Approach
   Chapter 2: Some Tools of the Economist
   Chapter 3: Supply, Demand, and the Market Process
   Chapter 4: Supply and Demand: Applications and Extensions

2. Measuring Aggregate Economic Activity and Adjusting for Inflation
   Chapter 7: Taking the Nation's Economic Pulse
   Chapter 8: Economic Fluctuations, Unemployment, and Inflation

3. Aggregate Demand and Supply
   Chapter 9: An Introduction to Basic Macroeconomic Markets
   Chapter 10: Dynamic Change, Economic Fluctuations, and the AD-AS Model

4. Fiscal Policy
   Chapter 11: Fiscal Policy: The Keynesian View and Historical Perspectives
   Chapter 12: Fiscal Policy, Incentives, and Secondary Effects

5. The Banking System and Monetary Policy
   Chapter 13: Money and the Banking System
   Chapter 14: Modern Macroeconomics and Monetary Policy

6. Current Synthesis View of Macroeconomics
   Chapter 15: Stabilization Policy, Output, and Employment
   Chapter 16: Creating an Environment for Growth and Prosperity
   Chapter 17: Institutions, Policies, and Cross-Country Differences in Income & Growth

7. International Economics
   Chapter 18: Gaining from International Trade
   Chapter 19: International Finance and the Foreign Exchange Market

8. Consumer Choice and the Theory of the Firm
   Chapter 20: Consumer Choice and Elasticity
   Chapter 21: Costs and the Supply of Goods
   Chapter 22: Price Takers and the Competitive Process
   Chapter 23: Price Searcher Markets with Low Entry Barriers
   Chapter 24: Price Searcher Markets with High Entry Barriers

9. Resource Markets
   Chapter 25: The Supply of and Demand for Productive Resources
   Chapter 26: Earnings, Productivity, and the Job Market
   Chapter 27: Investment & the Capital Market