

	 INTERNATIONAL SCHOOL <i>of</i> BUSINESS	SYLLABUS	
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**PALAZZI FLORENCE ASSOCIATION FOR INTERNATIONAL EDUCATION
 FLORENCE UNIVERSITY OF THE ARTS
 ISB - INTERNATIONAL SCHOOL OF BUSINESS (BU)**

INTERNATIONAL SCHOOL OF BUSINESS
 DEPARTMENT OF MANAGEMENT
COURSE TITLE: INTRODUCTION TO ECONOMICS
COURSE CODE: BUECEC250
 3 Semester Credits

1. DESCRIPTION

This course is designed as an introduction to the study of economics. Students develop an understanding of economic institutions, history, and principles. Topics include basic tools of microeconomics and macroeconomics. Microeconomics deals with consumers, firms, markets and income distribution. Macroeconomics deals with national income, employment, inflation and money. Models that determine long-run growth and short-term fluctuations in national economies will be explored. Additional discussion will focus on the role of government regulation, monetary policy, and fiscal policy. Also, students will analyze major economic institutions, such as property rights, markets, business organizations, labor unions, money and banking, trade, and taxation.

2. OBJECTIVES

Upon successful completion of this course students will:

- Demonstrate an understanding of the methods and principles of microeconomic theory, including tradeoffs, opportunity costs, and marginal decision making.
- Explain how markets work and how market prices are determined using principles of supply and demand.
- Assess the impact of market failure such as externalities, and public goods and evaluate possible public policy remedies.
- Analyze financial markets and investments, including the stock market, and their relation to the economy
- Evaluate key economic indicators (including GDP, unemployment, inflation) and their use in evaluating macroeconomic conditions
- Understand major macroeconomic tools, including fiscal and monetary policies, and their use in managing the economy

- Apply quantitative reasoning to understand and solve problems.
- Become critical consumers of information by explaining alternative perspectives and structuring hypotheses to evaluate evidence and distinguish between those alternatives.
- Identify and describe any particular virtuous or ethical behavior as some combination of fundamental virtues (courage, temperance, prudence, justice, faith, hope, and love)
- Understand how ethical principles support effective microeconomic interactions between pairs of individuals or small groups, and how they support effective macroeconomic systems.
- Apply ethical principles in a variety of economic contexts.

3. REQUIREMENTS

There are no prerequisites for this course.

4. METHOD

This course consists of lectures, class discussions, and business cases to be studied in small teams. Mediums for instruction used will include, but are not limited to, interactive and hands-on activities which challenge thought processes, academic texts and studies, videos, slides, guided problem solving, and experiential and/or field learning activities where applicable.

5. TEXT BOOK – FURTHER READINGS – RESOURCES

Introduction to Economics – Marc Lieberman and Robert Hall – South Western College Publishing

The text book is mandatory for successful completion of the course.

Where applicable, additional materials, handouts and/or notes will be provided by the instructor.

FURTHER READINGS

Blinder, A. S. (2013). *After the music stopped: The financial crisis, the response, and the work ahead*. Penguin Press.

Roberts, Russ (2014), *How Adam Smith Can Change Your Life: An Unexpected Guide to Human Nature and Happiness*. Penguin Press
The Instant Economist: Everything You Need to Know About How the Economy Works Paperback – 2012 Timothy Taylor

LIBRARIES IN FLORENCE

The FUA library is located in Corso Tintori 21. Please consult the posted schedules for official opening times. Also, note that the library is for consultation only and it is not possible to borrow materials. The library is equipped with a scanner and internet access so that you may save or email a digital copy of the pages needed.

Students may also utilize additional libraries and research centers within the local community:

Biblioteca Palagio di Parte Guelfa

Located in Piazzetta di Parte Guelfa between Piazza della Repubblica and Ponte Vecchio. Please consult the library website for hours of operation:

http://www.biblioteche.comune.fi.it/biblioteca_palagio_di_parte_guelfa/

Biblioteca delle Oblate

Located in via dell'Oriuolo 26. Please consult the library website for hours of operation: www.bibliotecadelleoblate.it

The Harold Acton Library at the British Institute of Florence

Located in Lungarno Guicciardini 9. Please consult the library website for hours of operation. This library requires a fee-based student membership. For information: www.britishinstitute.it/en

6. FIELD LEARNING

This course may include a field learning activity.

7. COURSE MATERIALS

No additional course materials are necessary.

8. COURSE FEES

Course fees cover all course-related field learning activities, visits, and support the instructor's teaching methodologies. Book costs are not included in the course fee. The instructor will communicate the exact amount on the first day of class.

9. EVALUATION – GRADING SYSTEM

10% Attendance

25% Class Participation, Homework, Reading, and Assignments

20 % Mid Term Exam

15 % Final Project

30 % Final Exam

A = 93-100 %, A- = 90-92%, B+= 87-89%, B = 83-86%, B-=80-82%, C+ = 77-79%, C=73-76%, C-=70-72%, D = 60-69%, F= 0-59%, W = Official Withdrawal, W/F = Failure to withdraw by the designated date.

10. ATTENDANCE – PARTICIPATION

Academic integrity and mutual respect between instructor and student are central to the FUA academic policy and reflected in the attendance regulations. Student presence is mandatory and counts toward the final grade.

On the **second absence**, the attendance and participation grade will be impacted. Please note that missing certain field learning activities may count for more than one absence.

On the **third absence**, the instructor may lower the final grade by one letter grade. (Example: Final grade average of 93% or A will become a B).

The fourth absence constitutes automatic failure of the course. Students with excessive absences will be asked to withdraw with a W (if before the deadline) or leave the course with a WF.

Late Arrival and Early Departure

Arriving late or departing early from class is not acceptable. Two late arrivals or early departures or a combination will result in an unexcused absence. Travel is not an exceptional circumstance.

Travel (or delays due to travel) is NEVER an excuse for absence from class.

It is always the student's responsibility to know how many absences he or she has in a course. If in doubt, speak with your instructor!

11. EXAMS – PAPERS – PROJECTS

Attendance and participation

Satisfactory participation will be the result of contributing to class discussions by putting forth insightful and constructive questions, comments and observations. Overall effort, cooperation during group work and in-class activities, responsible behavior, and completion of assignments will be assessed.

Reading and quizzes

of the text book is mandatory for successful completion of the course, further reading is highly recommended. Regular reading quizzes have been designed to ensure that you are completing the reading and engaging in active learning and critical thinking about course concepts outside of class. They are also designed to help you prepare for the final exam in manageable increments. Quizzes may be open-note, which means you may use your notes to assist you in taking the quiz. Notes must be originals (not photocopied) and in your own handwriting. Quizzes will NOT be open book.

Exams

Format (for both exams): the exam is divided into three sections:

- Part I: 10 Multiple choice questions. Each correct answer is worth 2 points, for a total of 20 points.
- Part II: 10 short-answer questions. Each correct and complete answer (concise explanations, main ideas, key words, names, etc.) is worth 5 points, for a total 50 points.
- Part III: two essay questions; each correct and complete answer is worth 15 points (based on content, vocabulary, detail, etc.) for a total of 30 points.

Please note, the instructor may use a different format for the exam. TBA on the first lesson.

Remember that the date and time of the exams cannot be changed for any reason, so please organize your personal activities accordingly and consult the course calendar.

12. LESSONS

Lesson 1	
Meet	In class
Lecture	Course overview, assignments and expectations. What is Economics: The Concept of Scarcity and the World of Economics.
Objectives	By the end of this class students will be able to: <ul style="list-style-type: none">- Have an understanding of course content, objectives, assignments and expectations.- Gain knowledge of:<ul style="list-style-type: none">a. why we study Economicsb. the method of Economics, including the art of building economic models
Homework/ Assignments	Write a paper discussing question n°3 on chapt.1 of the course textbook Review for details on myfua
Reading	Chapter 1 of the course textbook (page 1 to 14)

Lesson 2	
Meet	In class
Lecture	Economic systems on concept of opportunity cost.
Objectives	By the end of this class students will be able to gain an understanding on: scarcity, choices, and economic systems
Homework/ Assignments	Explain what are some reasons why a country may be operating inside its PPF
Reading	Chapter 2 of the course textbook (page 16 to 36)

Lesson 3	
Meet	In class
Lecture	Supply and demand: price ceilings and floors
Objectives	By the end of this class students will be able to understand: <ul style="list-style-type: none">- the size of the market- the law of supply and of demand- supply and demand schedule and curve- government intervention in markets
Homework/ Assignments	Review for details on myfua
Reading	Chapter 3 of the course textbook (page 41 to 69)

Lesson 4	
Meet	In class
Lecture	Consumer choices and preferences: consumer decision making
Objectives	By the end of this class students will have knowledge of: <ul style="list-style-type: none"> – budget constraint – how consumers make their decisions – what happens when things change – consumer theory
Homework/ Assignments	Ex n°1 from chapt 4 page 104 Review for details on myfua
Reading	Chapter 4 of the course textbook (page 79 to 104)

Lesson 5	
Meet	In class
Lecture	Production and Cost
Objectives	By the end of this class students will understand: <ul style="list-style-type: none"> – types of business firms – production and costs- short and long term
Homework/ Assignments	Review for details on myfua
Reading	Chapter 5 of the course textbook (page 113 to 144)

Lesson 6	
Meet	In class
Lecture	Profit maximization: how firms make decisions
Preparation	Review of data covered in class for exam preparation
Objectives	By the end of this class students will be able to explain: <ul style="list-style-type: none"> – the meaning of profit and firm constraints – different approaches to profit maximization – dealing with losses: the shutdown rule
Homework/ Assignments	Answer question 2, 3, and 4 on page 169 of textbook
Reading	chapt n°6 of the course textbook (page 145 to 170) Review all reading assigned thus far in view of the mid-term exam.

Lesson 7	
Meet	In class
Lecture	Mid-term exam

Lesson 8	
Meet	In class
Lecture	Academic break

Lesson 9	
Meet	In class
Lecture 1	Perfect competition
Lecture 2	Monopoly and Imperfect competition
Objectives	By the end of this class students will be able understand: <ul style="list-style-type: none"> – Labor Markets and perspectives – why wages differ – discrimination and wages – the meaning of efficiency – economic efficiency and perfect competition – laws and regulations – market failures
Homework/ Assignments	Review for details on myfua
Reading	Chapter 7 and n°8 of the course textbook (page 171 to 232)

Lesson 10	
Meet	In class
Lecture	Labor markets and wages
Objectives	By the end of this class students will have knowledge on: <ul style="list-style-type: none"> – labor markets in perspective – competitive labor markets and the equilibrium wage – discrimination and wages
Homework/ Assignments	Ex n°2 of chapter 10 of textbook
Reading	Chapter 9 of the course textbook (page 236 to 293) Review for details on myfua

Lesson 11	
Meet	In class
Lecture 1	Introduction to Macroeconomics
Lecture 2	Production income and employment
Objectives	By the end of this class students will have knowledge on: <ul style="list-style-type: none"> – basic principles of macroeconomics – production and gross domestic products – employment and unemployment
Homework/ Assignments	Review for details on myfua
Reading	Chapter 11 and 12 of the course textbook (page 297 to 336)

Lesson 12	
Meet	In class
Lecture	The monetary system, prices and inflation
Objectives	By the end of this class students will be able to explain: <ul style="list-style-type: none"> – why we pay in paper currency – measuring the price level and inflation – the cost of inflation
Homework/ Assignments	Ex n°3 on page 358 of textbook
Reading	Chapter 13 of the course textbook (page 339 to 360)

Lesson 13	
Meet	In class
Lecture 1	Economic growth
Lecture 2	Booms and recessions
Objectives	By the end of this class students will be able to understand the importance of: <ul style="list-style-type: none"> – the concept of growth – what makes economies grow – growth and employment – growth of the capital stock – consumption spending – total spending and equilibrium GDP
Homework/ Assignments	Review for details on myfua
Reading	Chapter 14 and 15 of the course textbook (page 361 to 423)

Lesson 14	
Meet	In class
Lecture 1	The banking system, the Federal reserve and Monetary Policy
Lecture 2	Aggregate demand and supply
Objectives	By the end of this class students will be able to understand: <ul style="list-style-type: none"> – the components of money supply – the money market – the federal reserve and banking system – the aggregate demand and supply curve
Homework/ Assignments	Preparation for final exam
Reading	Chapter 16 of the course textbook (page 424 to 489) Review all reading assigned so far in view of the final exam.

Lesson 15	
Meet	In class
Lecture	Final exam