

Course Code & No. - Section: Econ 322
Course Title (Credits): Economic Theory
Term & Year: Spring / 2016
Course Ref. No. (CRN): 10010
Instructor: Stacy Taylor, MBA
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Office: TCES, 2nd floor offices
Office Hours: by appointment only

Class Meeting Time: Tues – Thur 10 am – 11:15am

Location: TCES 106
Prerequisites: Econ 101, Econ 102
Co-requisites: None

The Mission Statement

Sierra Nevada College graduates will be educated to be scholars of and contributors to a sustainable world. Sierra Nevada College combines the **liberal arts** and **professional preparedness** through an interdisciplinary curriculum that emphasizes **entrepreneurial thinking** and environmental, social, economic and educational **sustainability**.

Course Description This course emphasizes global economics and its impact in the financial management of the multi-national company. Topics include foreign exchange, international financial markets/instruments/institutions, foreign exchange risk management and financial statement translation.

Student Outcomes

Upon successful completion of this course, a student will be able to:

1. Students will be able to explain and use the IS-MP Phillips curve macroeconomic model. Students will be able to explain and apply the model to a closed economy and to an open economy
2. Students will be able to explain how economists look at business cycles. Specifically, students will be able to explain how to measure business cycles, how to estimate the impact of business cycles on cyclical unemployment, and how the multiplier effect amplifies the impact of spending shocks on real GDP.
3. Students will be able to explain the risk structure of interest rates. Students will then be able to explain why the Federal Reserve pursued quantitative easing and other Fed policies during the most recent crisis.
4. Students will be able to explain the yield curve (term structure of interest rates) and what its slope indicates about future expected short-term interest rates and future expected inflation.
5. Students will be able to explain and apply the quantity theory of money to causes of inflation in the long run and the Fisher equation to the impact of inflation on nominal interest rates.
6. Students will understand firm and industry behavior in perfectly competitive markets. Students will be able to demonstrate an ability to determine how to maximize profit under competitive markets, oligopolies, competitive monopolies and monopolies.
7. Students will be able to apply game theory and competitive strategy

8. Students will analyze the role of information, market failure, and the role of government

Methods of Assessing Student Outcomes

Student outcomes will be assessed using the following:

1. Assigned analysis and problems, applying skills to real-world problems.
2. Formal mid-term and final examinations emphasizing application of knowledge and principles.
3. Team project and presentation of potential solutions to a current International issue.

Instructional methodology

This course will emphasize the application of economic thinking to actual situations and current events. In order to master the tools of economic analytic thinking, students will practice using the tools and applying them to actual problems. Since it is assumed that students in the course can read the material presented and explained in the required texts, in-class lectures will be kept to a minimum and will primarily serve to clarify or amplify material explained in the text. Therefore, it is expected that all students will have completed any required reading or assigned work prior to the class session(s) to which it pertains. Not all material appearing in the textbook may be covered in class or in assignments, but all such material is eligible for inclusion in the quizzes and exams. Assigned reading will include articles, film clips and other media sources, which will also be included in exams.

Required Text: *Microeconomics*, Eaton, Eaton and Allen, 8th edition

Attendance

In order to maximize your learning, you are expected to attend class. Most of the learning will occur as we work together to apply the concepts learned in the readings and in study groups. You are expected to be a part of the learning community and participate fully in each class session. In addition, in-class analysis points can **only** be earned if you attend. Use of electronic devices is limited to using a laptop or tablet to take notes. Other uses such as texting, surfing the internet, or making calls are disrespectful to the learning community.

Study groups

Because of the nature of the material and the value of working with students from a wide variety of backgrounds and disciplines, study groups are highly recommended. Working as part of a group in preparing for cases, discussing assigned media reviews, and preparing for quizzes and exams is very helpful. During the first few weeks of class it is suggested you work to form groups to help maximize your learning and opportunity for points.

Course Expectations

The table below clarifies the minimum respective responsibilities of students and the instructor in this class. Failure by students to meet with these responsibilities will diminish their educational experience, performance, and/or course grade. Noncompliance by an instructor may affect his/her personal performance rating.

STUDENT RESPONSIBILITIES	FACULTY RESPONSIBILITIES
1. Students are responsible for their own educational achievement.	1. Faculty members are responsible for facilitating a classroom learning environment in each class session in which all students have an opportunity to achieve the learning outcomes of the course.
2. Students are responsible for coming to all class sessions fully prepared to participate in discussions and/or activities scheduled for the period. This includes reviewing all assigned readings, completing class preparation assignments, assigned homework, and/or other preparatory tasks assigned by the instructor.	2. Instructors are responsible for ensuring that class preparation assignments, homework, etc. is relevant to the planned topic for the class and overall course objectives. The professor will be able to communicate relevance to students if questioned.
3. Students are responsible for asking relevant questions about course concepts about which they are uncertain. If such questions cannot be dealt with during the regular class period, students are responsible for arranging to meet with the instructor during office hours.	3. Instructors are responsible for responding appropriately and professionally to student inquiries about course concepts, and – if required – agreeing to consult privately with students during office hours in order to clarify course concepts when not possible to do

	so during class without detracting from educational experience of other students.
4. Students are responsible for bringing to the instructor's attention as soon as possible the presence of any special learning needs of which the instructor should be cognizant in order to properly perform his/ her professional responsibilities. If a student requires special ADA accommodations, he/she is responsible for contacting Academic Services to discuss their needs (see Section VIII, p. 35, in the 2008-09 catalog).	4. Instructors are responsible for: (a) complying with all applicable laws, regulations and SNC policies with regard to students with academic learning challenges, and (b) taking reasonable steps to assist or counsel students in general regarding means of maximizing their educational achievement in the class.
5. Students are responsible for ensuring they understand the performance standards established for the course, and for accepting that such standards will be applied equally to all students in the interest of professional fairness and equity.	5. Instructors are responsible for measuring student outcome achievement against performance standards appropriate to the level of the course (e.g., lower vs. upper division). Moreover, instructors are responsible for communicating these standards and expectations to assess students.
6. Students are responsible for compliance with SNC policies regarding academic integrity, and for accepting the consequences of violations thereof. For additional clarification, please see p. 43 of the 2008-09 catalogs: <i>Cheating and/or Plagiarism</i> .	6. Faculty members are responsible for discussing the SNC policy regarding academic honesty, cheating, and/or plagiarism, both in syllabi and direct classroom discussion. Faculty will also make clear to students the reason for the policy, and discuss standardized protocols for attribution, through citations and references, of the original work of others.

Grading Policy

Progress toward achieving course objectives will consider both familiarity with, and ability to apply, relevant course concepts. All progress toward course objectives will be posted on Moodle. Course grades will be calculated as follows:

Course Component	Grade Points
Problem and analysis assignments	50
Mid-term	30
Final	30
Team project	40
Total points available	150

Class Schedule: Reading assignments, changes to the schedule, and adjustments to the syllabus will be posted on Moodle. Moodle is the key communication tool for this class and you will want to check it frequently. You are expected to log-in to the class and post a clear picture of your face by January 27th at 8 am.

January 19 First Day of Semester

January 21 Microeconomics Introduction

January 26 Theory of preferences

January 28 Demand Theory

February 2 More Demand Theory

February 4 Intertemporal Decision Making and Capital Values

February 9 Production and Cost – one variable

February 11 Production and Costs – Many Variables

February 16 The Theory of Perfect Competition

February 18 Applications of Competitive Models

February 23 Monopoly

February 25 Input Markets

March 1 Labor Markets

March 3 Competitive General Equilibrium

March 8 (Midterms)

March 10 (Midterms)

March 14 - 18 Spring Break No Class

March 22 Price Discrimination

March 24 Intro to Game Theory

March 29 Game theory and Oligopoly

April 31 Game theory in Strategy

April 5 Choice under Uncertainty

April 7 The Yield Curve

April 12 The Basics of Monetary Theory

April 14 Models of Monetary theory

April 19 What has changed?

April 21 IS/LM curve

April 26 Fisher – does it hold up?

April 28 Team presentations

May 2 Team presentations

May 4 No Class Prepare For Finals

Final Saturday 5/7 8-11

Description of Course Assignments and Projects

Problems and analysis: Students will have an opportunity develop skills through a combination of problems to help build technical skills, and analysis to apply concepts learned in the class to real world problems.

Some case studies, problems and analysis assignments will be completed during the class session. These will be given during class and turned in when you leave. There will be no make ups given on in-class assignments.

Problems assignments to be completed outside class will be posted on-line prior to the due date, along with the points available.

Ski team members and students who have pre-arranged to email assignments prior to the due date may email their assignments. All other students must have a hard copy to turn in at the beginning of class. Pre-arranging to email an assignment does not release you from accountability for having the assignment emailed with a time stamp prior to the start of the class period. There is no credit given for late assignments.

Team project: Students will have an opportunity to present a team project showcasing their best economic theory thinking as applied to a current problem.

Exams: There will be two exams offered. Each exam will have 30 points available and will be comprehensive. Because the exams are comprehensive, credit will be given for material learned and skills mastered. Therefore, the final exam will be the best indicator of mastery. If you earn a higher number of points on the final exam than the mid-term, the final exam score will replace the mid-term score.

Mandatory Special Accommodations (ADA) Statement

In accordance with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, students with a documented disability are eligible for support services and accommodations. If a student wishes to request an accommodation, please contact the Director of Academic Support Services, Henry Conover, at (775) 831-1314 x7534, hconover@sierranevada.edu or go to the OASIS offices on the third floor of Prim Library within the first week of the semester

Sanctions for Cheating and/or Plagiarism

The Honor Code

The faculty of SNC believes students must be held to high standards of integrity in all aspects of college life in order to promote the educational mission of the College and to encourage respect for the rights of others. Each student brings to the SNC community unique skills, talents, values and experiences which, when expressed within the community, contribute to the quality of the educational environment and the growth and development of the individual. Students share with members of the faculty, administration and staff the responsibility for creating and maintaining an environment conducive to learning and personal development, where actions are guided by mutual respect, integrity, responsibility and trust. The faculty and students alike must make diligent efforts to ensure high standards are upheld by their colleagues and peers as well as themselves. Therefore, faculty and students accept responsibility for maintaining these standards at Sierra Nevada College and are obligated to comply with its regulations and procedures, which they are expected to read and understand.

Consequences of Violating the Student Honor Code

SNC students and faculty share the responsibility for maintaining an environment of academic honesty. Thus, all are responsible for knowing and abiding by the SNC Faculty/Student Honor Code published in the current SNC Catalog. Faculty are responsible for presenting the Honor Code and the consequences of violating it to students at the start of their classes AND for reporting all incidences of academic dishonesty to the Provost. Students are responsible for knowing what constitutes CHEATING, PLAGIARISM and FABRICATION and for refraining from these and other forms of academic dishonesty. Violations of the Honor Code become part of a student's academic record.

1st Offense: Student receives a zero for assignment/exam and counseling with faculty on the honor code, consequences for violating the honor code, and the value of academic honesty in learning.

2nd Offense: Student fails course and receives counseling with faculty on the honor code, consequences for violating the honor code, and the value of academic honesty in learning.

3rd Offense: Student is expelled.

The SNC Email System

The SNC email system is the official communication vehicle among students, faculty members and administrative staff and is designed to protect the confidentiality of student information as required by the Family Educational Rights and Privacy Act of 1974 Act (FERPA). Students should check their college email accounts daily during the school year.

Students have a right to forward their SNC e-mail to another e-mail account (for example, @hotmail or @gmail). However, confidentiality of student information protected by FERPA cannot be guaranteed for SNC e-mail forwarded to an outside vendor. Having email redirected does not absolve a student from the responsibilities associated with official communication sent to his or her SNC email account.

Disclaimer: If any part of this syllabus violates Sierra Nevada College policy or any other governing policy, that policy will take precedence.