

## **ECONOMICS 210.01: INTRODUCTION TO MICROECONOMICS**

Prof. Dr. Panayotis Zamaros

SPRING 2017

Office Hours: Wednesdays 09:00 – 12:00 and by appointment prior the start of class.

### **Pepperdine Mission Statement**

Pepperdine is a Christian university committed to the highest standards of academic excellence and Christian values, where students are strengthened for lives of purpose, service, and leadership.

### **Description**

Microeconomics, in the “relational approach” as established by Dr. Zamaros (2011, [Organizational Behavioral Studies: The Relational Approach](#)), is an integrated and comprehensive study of the various (market) stakeholders that chiefly include consumers and firms, as well as the manner in which they inter-relate, whether this be economic or legal. This course is premised on an effort to develop economic and management tools that are practical and useful to practitioners, thereby taking a stance that is pragmatic and grounded in day-to-day economic and business realities away from futile modeling and idealizations – or what can be labelled “textbook economics”. What is specifically rethought here includes:

- the market as a contractual nexus whose workings are behavioral and not simply economic
- the type of markets wherein firms belong to, their features and interactions amongst them in a context of regional and global competition to lure consumers
- consumer behavior which is complex and not necessarily as rational as it is often portrayed
- market externalities examined from a technological viewpoint
- etc. (i.e. new discoveries!)

### **Learning Outcomes**

After completing this course, students will be able to:

- understand the microeconomic processes which are fundamental to a market-based economy;
- explore the organization of a firm
- explore production and the resourcing of productive methods
- carry out a break-even analysis for profit maximization
- explore consumer demand from a behavioral viewpoint
- explore labor supply and determining factors
- conceptualize goods and labor markets from an economic, legal and behavioral standpoint
- explore market externalities and the role of technology
- explore the behavior of firms into three types of markets
- appreciate general contractual aspects and principles

### Methodology

It is strongly suggested that students read relevant material as listed on the course outline. During class meetings discussions and activities will take place as per the course schedule. Students can find the slides of the course on [www.zamaros.net](http://www.zamaros.net). Attendance is important (see below) because the content covers real-life examples and research, important for completing the examination and course requirements.

### Course Materials

- Reference text – most recent edition: Rao, Reuss, Snyder & Sturr, *Real World Micro*, Dollars & Sense, Economic Affairs Bureau
- Resources from [www.zamaros.net](http://www.zamaros.net)

### Course Topics

- Understand microeconomic processes as being fundamental to an economy: microcircuit, goods market, labor market, alternative systems.
- Explore the organization of a firm: legal forms, public and private ownership.
- Explore production and the resourcing of productive methods: short-term and long-term production.
- Carry out a break-even analysis for profit maximization: cost analysis, profit table, supply of goods, and demand for labor.
- Explore consumer demand from a behavioral viewpoint: perception and consumer behavior, satisfaction, consumer equilibrium, elasticity, consumer protection.
- Explore labor supply and determining factors: education, wage determinants, market types.
- Conceptualize goods and labor markets from an economic, legal and behavioral standpoint: market equilibrium, contracts, relational approach.
- Conceptualize goods and labor markets from an economic, legal and behavioral standpoint: market equilibrium, contracts, relational approach.
- Explore market externalities: positive, negative, the role of technology.
- Explore the behavior of firms into three types of markets: passive, dynamic, non-competitive.

### Study Plan

Lesson	Date	Session	Content	Readings m: Micro
1	18.01	1	Course logistics	
		2	Fundamental actors (individuals, organizations) & concepts (language, trust) in	

			the RM	
		3	Market-based processes: microcircuit, demand and supply in the goods & labor markets	m: 1.1, 1.2
2	25.01	4	Alternative economic systems	m: 1.3
		5	Explore the organization of a firm: legal forms, public and private ownership – e.g. CH	m: 4.1,
		6	In-class Research: explore the organization of a firm: US vs other countries	m: 4.4
3	1.02	7	<i>Presentations of findings 1</i>	
		8	Explore production and the resourcing of productive methods: short-term and long-term production;	m: 4.5
		9	In-class Research: production and the resourcing of productive methods in major firms	
	8.02			
4	15.02	10	<i>Presentation of findings 2</i>	
		11	Carry out a break-even analysis for profit maximization: cost analysis	
		12	Carry out a break-even analysis for profit maximization: profit table	
5	22.02	13	Explore consumer demand from a behavioral viewpoint: perception and consumer behavior	m: 1.4, 3.1, 3.2
		14	Explore consumer demand from an economic viewpoint: satisfaction, consumer equilibrium, elasticity	m: 3.3, 3.4
		15	Explore consumer demand from a legal viewpoint: consumer protection	
6	1.03	16	Explore labor supply and determining factors: education, wage determinants	m: 6.1, 6.2, 6.3
		17	Explore labor supply and determining factors: market types	m: 6.7, 11.1, 11.3
		18	Goods and labor markets: economic viewpoint	m: 2.1, 2.2
7	8.03	19	Goods and labor markets: legal view point	m: 2.4, 2.5
		20	Goods and labor markets: behavioral view point – the relational approach	
		21	Explore market externalities: positive,	m: 8.3, 8.4,

			negative	8.6
	15.03			
8	22.03	22	Firm organization into markets: passive	
		23	In-class timed research: passive markets/firms	
		24	<i>Presentations of findings 3</i>	
9 <i>exam 2</i>	3.04	25	Firm organization into markets: dynamic	
		26	In-class timed research: dynamic markets/firms	
		27	<i>Presentations of findings 4</i>	
10	5.04	28	Firm organization into markets: non-competitive	m: 5.1, 5.3, 5.4
		29	In-class timed research: non-competitive markets/firms	
		30	<i>Presentations of findings 5</i>	
11	12.04-am	31	<i>Final exam</i>	
		32	<i>Final exam</i>	
		33	<i>Final exam</i>	

### Course Evaluation

Presentations	25%
Examination 1	10%
Examination 2	25%
Final examination	40%
	TOTAL 100%

### Examination Dates and Coverage

There are 4 examination components:

- Presentations: 5 in-class presentations in groups (10-15 min) or individually (5-10 minutes)
- Examination 1: a fully referenced research report of 1000 words on the ownership, product range and production organization of a chosen firm; the cutoff date is Wednesday 22.02
- Examination 2: a fully referenced research report of 2000 words on the consumer behavior of a chosen product/service; the cutoff date is Wednesday 28.03
- Final examination (week 11): based on the research carried out throughout the term on the chosen firm, students will be invited to answer to 1 relevant question. The final examination is an open source examination.

Exams focus as much as possible on the application of concepts and critically so – the plain use of Wikipedia and other simplistic online sources will not be sufficient to do well on the exams. All written material bearing the students' names on the first page is to be emailed to [dr.zamaros@gmail.com](mailto:dr.zamaros@gmail.com) on cut-off date, midnight the latest.

### **Attainment of Student Learning Outcomes**

The student learning outcomes in this course, provided on the first page of the syllabus, are in support of the following learning objectives of the economics major:

- Relate the core intuitions of economics to economic and social phenomena, in order to produce sound economic analyses.
- Use formal and mathematical theoretical models to represent economic complexity.

The student learning objectives in this course, provided on the first page of the syllabus, are in support of the following General Education Learning Outcomes:

- Critical thinking--Students analyze issues, ideas, behaviors, and events to develop opinions, solutions, or conclusions.
- Quantitative reasoning--Students reason and solve quantitative problems and explain mathematical concepts and data.
- Scientific reasoning--Students use the scientific method to investigate the natural or physical world.
- Human institutions & behavior--Students describe the major concepts of economics, psychology, or sociology to explain institutional and human behavior.

### **Grading**

Grading is based on a 100% scale constructed on the following criteria bearing 6 points each:

#### Knowledge

1. Completing task effectively
2. Explaining economic models
3. Explaining economic processes
4. Linking models with data and information

#### Inquiry

5. Adopting a critical stance
6. Arguing effectively
7. Researching issues
8. Treating topic comprehensively

#### Expression

9. Expressing ideas clearly
10. Using language effectively

11. Communicating purposefully
12. Structuring arguments and ideas  
Application
13. Using course concepts
14. Using out-of-course information
15. Commanding essay/presentation layout
16. Using appropriate referencing system

### **Academic Integrity**

Students are responsible for knowing and abiding by the university's policies and procedures for academic integrity, which will be enforced in this class. They can be found at <http://seaver.pepperdine.edu/academicintegrity/policies/>.

### **Grading policy**

Grades will be assigned based on the following percentages:

- 94-100% = A
- 90-93.9% = A-
- 88-89.9% = B+
- 83-87.9% = B
- 80-82.9% = B-
- 78-79.9% = C+
- 73-77.9% = C
- 70-72.9% = C-
- 68-69.9% = D+
- 63-67.9% = D
- 60-62.9% = D-
- Below 60% = F

### **Absence Policy**

Despite the circumstances, absence totaling more the one hour in a 1-unit class, three hours in a 3-unit class, and four hours in a 4-unit class, automatically lower the final grade by one half of a letter grade (i.e. from an A- to a B+) Each successive absence will in turn lower the grade by an additional one half of a letter grade.

### **Late Policy**

4 partial misses count as 1 absence, regardless of how little the time portion is.

### **Illness policy**

'Students can be given excused absences for emergencies and verified cases of illness. In most cases, students who are not feeling well will be required to visit the Flon Urgence (PMU). For emergencies or documented illness, a form must be immediately completed and given to the

Program Assistant (Karine Grivet), along with a receipt from PMU on the day(s) students are sick. The Program Assistant will communicate directly with faculty if students are given an excused absence(s). Students are responsible for completing all class assignments during their absence and for securing class notes from a fellow student.

### **Relationship to the Christian Mission of the University**

As social science, economics offers a great deal of value in improving both individual and collective decision-making. But perhaps its greatest contribution is in recognizing the inherent interconnectedness of people and choices and focusing on ways to enhance the social cooperation which is the basis for the economic well-being of the members of society, which Christians are called upon to care about deeply.

### **Disability Services Office (DSO) statement**

The Disability Services Office (DSO) offers a variety of services and accommodations to students with disabilities based on appropriate documentation, nature of disability, and academic need. In order to initiate services, students should meet with the Director of the DSO at the beginning of the semester to discuss reasonable accommodation. If a student does not request accommodation or provide documentation, the faculty member will not provide accommodations.

### **Intellectual Property statement**

Course materials prepared by the instructor, together with the content of all lectures and review sessions presented by the instructor, are the property of the instructor. Video and audio recording of lectures and review sessions without the consent of the instructor is prohibited. Unless explicit permission is obtained from the instructor, recordings of lectures and review sessions may not be modified and must not be transferred or transmitted to any other person.

### **Online Course Evaluation**

Online evaluations are conducted for all courses. All students will complete the course evaluation during class time during the last week of class.