

Econ 500

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Office hours: Wed., 6:00-7:00 p.m.; or by appointment.

Fall 2009

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<http://www.csun.edu/~vcecn00h/>

The objective of this class is to introduce MBA students to basic economic theory and its applications. The first part of the course is microeconomics, the study of how markets work. This segment of the course will cover scarcity, choice, supply and demand analysis, the theory of the firm, and market structure. The second part of the course is macroeconomics, the study of the determinants of aggregate economic performance. This segment of the course will cover the measurement of aggregate output and price level, short-run and long-run macroeconomic equilibrium, economic growth, the Federal Reserve, money, inflation, and international finance.

Required texts:

Edgar K. Browning and Mark A. Zupan, *Microeconomics: Theory and Applications*, Tenth Edition, Hoboken, NJ: John Wiley & Sons, Inc., 2008.

Robin Bade and Michael Parkin, *Foundations of Macroeconomics*, Fourth Edition, Boston: Pearson Addison Wesley, 2009.

http://www.aw-bc.com/bade_parkin/ (online study guide, self-test quizzes). Login to Companion Website, *not* MyEconLab.

Earlier editions of both textbooks will work just as well.

Syllabus: (BZ = Browning and Zupan; BP = Bade and Parkin)

BP, chapter 3: choice under scarcity, opportunity cost, comparative advantage

BZ, chapter 2: supply and demand, market interventions, elasticities

BZ, chapters 7, 8: production and cost

BZ, chapter 9: perfect competition

BZ, chapters 11, 12: monopoly, price discrimination

BZ, chapter 13: oligopoly, cartels

BZ, chapter 14: game theory

BP, chapters 2, 5: measuring aggregate economic performance

BP, chapter 6: measuring the price level

BP, chapters 8, 13 (pp. 332-50): the labor market, macro equilibrium, aggregate supply-aggregate demand

BP, chapter 10: saving, investment and financial markets

BP, chapter 9: economic growth

BP, chapter 11: the Federal Reserve and the money supply

BP, chapter 12: money demand and the quantity theory of money

BP, chapter 19: international finance

Grading:

There will be two exams. The first, on **Wednesday, September 30**, will cover all material completed to that date. The second, on **Wednesday, October 28**, will cover all material completed after the first exam. Each exam is worth 50% of the course grade. Students who do not take first exam will take a cumulative final exam, covering the entire semester's work, which will then count for 100% of the grade. This option will also be available to students who score a B- or less on the first exam, as long as they notify me of this decision by **Wednesday, October 21** at the latest.

Class attendance is highly recommended as problem sets will be assigned periodically and reviewed at the next class meeting. Although not counting toward the course grade, these problem sets will be helpful in preparing for the exams.

Please note that there are no make-up exams, no extra credit assignments, and that plus/minus grades will be used.