

Fundamentals of Economics for Business I

Indiana University Bloomington

Spring 2024

Economics B251-9998

Instructor:	Ivan Dedyukhin	Email:	idedyukh@iu.edu
Class Day/Time:	TR 4:45 pm – 6:00 pm	Class Location:	WH 111
Office Hours:	By appointment	Office Location:	WY 344
GA:	Junho Kim	Email:	jk291@iu.edu
Office Hours:	TBA		

Course description:

First course in a two-course sequence that introduces business students to essential economic concepts. Examines the economic notions of cost and gains from trade, determinants of economic growth, consumer and firm behavior in competitive and non-competitive environments, the effects of taxation, externalities, moral hazard and adverse selection, and basic game theory.

Prerequisites: None

Course Objectives:

1. Understand the purpose and structure of economic study. Be able to develop and apply model building to a variety of real-world issues.
2. Understand and explain basic economic tools, assumptions, terms, and concepts as they relate to class models
3. Understand our models of markets and the implications of those models. Explain equilibrium, elasticity, equity, and efficiency as it applies to these models.
4. Apply the models of markets to determine when markets fail and if/when government intervention is necessary or helpful. Understand and explain the types of government action that can address externalities, public goods, and non-competitive markets.
5. Understand, explain, and calculate firms' costs and revenues. Apply this to the profit maximizing problem for firms in different types of markets. Understand the implications for profits/costs/efficiency of perfect competition, monopolies, and oligopolies.
6. Understand and explain consumer optimization. Apply this theory through the model of game theory and understand the implications and outcomes of cooperative and non-cooperative games.

Class Materials/Software:

- [IU Tophat Etext](#): Canvas Modules: *Introductory Microeconomics* Graf (Required)
- [Packback](#) for Q&A Modern Based Evidence Application assignments (Required)
- [Canvas](#) class page (Required)
- [Veconlab](#): Experimental Economics Laboratory for in-class experiments (Recommended)
- Smartphone/Tablet/Laptop for class attendance and polling (Required)
- 4 function basic calculator for homework and exams (Heavily Recommended)
- [Openstax](#) Principles of Microeconomics 2e eText (Suggested)

Course Organization:

We will use Canvas to manage this class. Course materials including the syllabus, problem sets, announcements, updated reading assignments, your latest grades, class news and other useful resources will be posted on Canvas. Please visit this site regularly.

Students are expected to have read the assigned material **prior** to each lecture and should expect to work at least six hours per week outside of class. Class activities are based on the premise you have read the material assigned, at least once, prior to the class lecture.

Lectures only compliment the required reading material. Lectures are **not** a substitute for the readings **nor** are the readings a substitute for attending and participating in class. After each lecture you should reconstruct your notes, so you understand the material. In addition, you are required to read and understand all material. You are responsible for all material presented in the text as well as lectures, for any assessment. A student should attend every scheduled class and is responsible for all work covered in the classes and assigned readings.

Course Expectations:

My goal is to create, facilitate and protect the learning environment for yourself and your classmates. Any action or behavior that interferes with my ability to add value to you or your fellow classmates are unacceptable.

My job is to teach you methods of economic analysis and how to think as an economist. I will be prepared for each class as well as work very hard to make the material understandable. You can expect me to be fair on all exams and homework as well as the calculation of your final grade. I am not here to be popular. I am here to add value to each and every one of you. I approach this task with sincerity and commitment. I expect sincerity and commitment from my students.

Your job is to be prepared for each class and work hard to make sure you understand all material. **You must be self-motivated.** If you do not understand any part of the material after reading and reviewing the material numerous times, you must seek help from the GA, UGI, or me. I can't help those who don't ask for help. You also will always show proper etiquette during class in order to facilitate the learning environment.

Course Requirements and Grading Scale:

Students are responsible for all information disseminated in class and through the class website (on Canvas) including deadlines and examination dates and times. The instructor is not responsible for dropping enrolled students. Should you decide to drop or withdraw please do so within the university-set deadlines.

The final grade for the course is based on the percentage of the number of adjusted total points earned. There is no grading curve used other than the scale below. Everyone can get an A and everyone can get an F. Canvas grades and percentages may be inaccurate at times. You should periodically check your Canvas grade throughout the semester for accuracy.

Activity	Percentage	Points
Weekly Canvas Quizzes	10%	50
Packback Q&A	10%	50
Class participation/ attendance	5%	25
Weekly Module Readings and Questions	5%	25
Midterm 1	20%	100
Midterm 2	20%	100
Final	30%	150
Total	100%	500

Percentage	Points	Grade
97-100	485-500	A+
92-96	484-460	A
88-91	440-459	A-
85-87	425-439	B+
81-84	405-424	B
77-80	385-404	B-
74-76	370-384	C+
70-73	350-369	C
67-69	335-349	C-
64-66	320-334	D+
60-63	300-319	D
55-59	275-299	D-
<55	<275	F

Midterm 1	4:45 pm – 6:00 pm	Thursday, February 15th
Midterm 2	4:45 pm – 6:00 pm	Thursday, March 28th
Final	12:40 pm – 2:40 pm	Tuesday, April 30th

Exams:

The examinations will be either multiple choice, or graphical/numerical problems, or short essay questions, or any combination of these three. There will be two in-class midterms each worth 20% or 100 points of the course grade. Since the methods of analysis for economics are cumulative, the exams are cumulative and scheduled during class time on the days mentioned above.

The final exam is worth 30% or 150 points of the course grade. Your schedule must permit you to be free to take the final exam on Tuesday, April 30, from 12:40 p.m. to 2:40 p.m. There is no alternative time for the final exam, if you have any conflicts, consider dropping other courses or discussing alternative times with the instructors of those courses. If you are enrolled in at least one of the following courses you have a conflict with this Economics B251 section — BUS-A 325, CHEM-C 117, MATH-J 111, J 112, J 113. Drop all but one of these conflicting courses now, unless you can resolve the conflict with your instructor(s) in the other course(s). Please do not ask if you may have an alternative time for the Economics B251 final—you will not be granted this request. Consult the [final exam schedule](#) to avoid additional conflicts.

Canvas Quizzes:

Each week after completing the readings and attending lecture on the topics, you will take a Canvas quiz on the topics covered. There are 12 total quizzes worth 1% each. Quizzes are worth 10% of your final grade, so you only need to complete 10 quizzes for full credit, but if you complete all 12, you can earn up to 2% extra credit on your final grade. These quizzes will be graded exclusively for correctness, so be sure to complete the readings and lectures **prior to attempting the quiz**. Quizzes will be due on Sunday by 11:59 PM eastern time. Late quizzes are not graded and receive a 0.

Class Readings and Module Questions:

Each week you will be expected to read the modules for that week **prior to the lecture** on that module. Within each module you will find several questions based on the text material. For each question you will have 3 chances to answer correctly (with the correct answers often coming directly from the text itself.) Each module will be worth .5% of your final grade. Given that there are 12 modules, and this element is worth 5% of your final grade, you only need to complete 10 modules for full credit. If you complete all 12 modules, you will be able to earn up to 1% extra credit on your final grade. The questions for each module will be graded half on completion and half on correctness, so be sure to use all 3 attempts if you do not get a question right on the first attempt. In-text questions will be due on Friday by 11:59 PM eastern time.

Class Attendance and Participation:

Class attendance and participation is both graded and important for the learning goals outlined above. Economics often builds upon itself, so missing even one lecture can lead to difficulty throughout the rest of the course. In addition, learning economics can often come down to hearing something explained in the right way for you. While I will do my best to offer various explanations and intuitions, sometimes a model will only click when students interact with each other. To grade attendance and participation we will be using TopHat, which will allow you to enter a code thru a phone/tablet/or laptop to mark your attendance and will also allow you to respond to in class questions and polling, the later will only be graded for completion and I will not track which students offer which answers unless any inappropriate responses are recorded. Sending the code to someone or entering the code not in the class will be perceived as academic fraud and will result in a minimum of 0. This will be worth 5% of your final Grade, and you only need to attend 25 classes for full credit. So, you have 3 “free” absence, and not extra credit for attendance.

PackBack Q&A:

Five times throughout the semester I will post prompts for discussion relating to class concepts, current events, news stories, and data releases. You will be responsible for writing a thoughtful response to these prompts in Packback, an online AI driven discussion platform. You will also be asked to ask a thought-provoking question to class in the Packback forum and respond to at least 1 other student’s question. Each of these items will be worth 2% (10% total of your final grade) with part of the grade awarded for completing the assignment and part for the content of your submission. We will discuss details when the first Q&A is assigned.

Extra Credit Essay:

At the end of the semester you will have an opportunity to receive extra credit by writing an essay called "Economic Naturalist." Your main objective is to find some observations in the real world that might seem counter-intuitive and explain them using economic principles. For example, why do drive-up ATMs have braille on the keypads? It is essential to have your observation. On the Canvas you will find a paper which provides many more instructions and examples of what I expect from you. So, I recommend you read it first. You are always welcome to talk with me about your essay ideas via email or during office hours. You can get a maximum of 10 extra credit points. The deadline is Sunday, April 21st. The maximum word count is 500 and minimum is 200.

Academic Integrity:

You should read the [Code of Student Rights, Responsibilities, and Conduct](#) (Code) because you are expected to adhere to its standards while you are a student at IU. Holding all students to the standards outlined in the Code ensures the value of the degree that you are earning from IU and is important training for maintaining ethical standards in the work that you will do in the future. Academic misconduct is “any activity that tends to undermine the academic integrity of the institution” (Code, II: [Responsibilities B.1](#)). Academic integrity violations include cheating, fabrication, plagiarism, interference, violation of course rules, facilitating academic dishonesty, and research misconduct. When you submit an assignment with your name on it, you are signifying that the work contained therein is yours, unless otherwise cited or referenced. Any ideas or materials taken from another source must be fully acknowledged. Students should not share their completed work with other students. If plagiarism or cheating occurs, all students involved will be considered responsible even if the student sharing their work was unaware that academic misconduct would occur or had occurred. Ignorance of what constitutes academic misconduct is not a valid excuse. All suspected violations of the Code will be reported to the Dean of Students (Office of Student Conduct). Sanctions for academic misconduct in this course may include a failing grade on the assignment, a reduction in your final course grade, or a failing grade in the course, among other possibilities. If you are unsure about the expectations for completing an assignment or taking a test or exam in this course, speak with your instructor.

Generative AI:

According to the [Code of Student Rights, Responsibilities, and Conduct](#), plagiarism is “presenting someone else’s work, including the work of other students, as the submitting student’s own. A student must not present ideas or materials taken from another source for either written or oral use without fully acknowledging the source, unless the information is common knowledge.” Cheating is “using, providing, or attempting to use or provide unauthorized assistance, materials, information, or study aids in any form.” (II: Responsibilities B.4,a and c) Your use of anyone else’s (or any AI system’s) words, graphic images, calculations, or ideas should be properly cited. AI generators/programs such as ChatGPT, Grammarly, QuillBot, Spinbot, Dall-E, etc. should not be used for any work for this class without explicit permission of the instructor and appropriate attribution. AI text generators should not be used for:

- Creating or revising drafts
- Editing your work
- Reviewing a peer's work

The use of generative AI platforms will be considered plagiarism and/or cheating and will be reported to the Dean of Students (Office of Student Conduct) and handled according to University policies. Sanctions for academic misconduct in this course may

include a failing grade on the assignment, a reduction in your final course grade, or a failing grade in the course, among other possibilities. Contact your instructor if you have questions.

Sensitive Topics and Economic Discussion:

Economic study provides an opportunity to analyze and discuss current events and policy issues in a structured and hopefully neutral way. It is important that we respect each other and conduct the class in a way where we can safely and appropriately discuss the strength of various viewpoints through an economic lens, while also avoiding attacking each other or each other's ideas. Any bullying, harassment, or abusive behavior under the guise of "economic discussion" will not be tolerated in any forum. More information can be found [here](#).

Make-up Policy:

Missed midterms will only be excused in the case of a documented emergency. This means some form of documentation will need to be provided including a date and specific language stating that the student could not attend the exam. If and when this is received, a make-up midterm can be rescheduled (with instructor approval) within 1 week of the original exam date. I know there are a wide variety of emergencies and documentations, so your best resource is to contact me as soon as possible if a conflict arises. No make-ups are provided for quizzes, Packback Q&A, and module questions, given the degree of flexibility already provided in timing and grading. For extended University Approved absences, the missed points will be considered when calculating your final grade.

Final Exam Make-up Policy:

Only under extraordinary circumstance such as a documented medical emergency I will grant you permission for a make-up final exam. If you miss the final exam without proper documentation or approval from me, you will generally not be allowed to take a make-up final. Under some circumstances, I may allow you to take a make-up final for non-document reasons. However, your make-up final will be worth only 90% of the available points allocated to your final exam if the reason is not properly documented. If I give you permission for a make-up final exam, you will receive an Incomplete (I) for the course and a make-up final will be administered to you in the next semester (Fall 2024). If you do not take the final exam, you will receive a grade of zero for your final exam grade. You can find more information about the Incomplete grade [here](#).

Valid Excuses:

Illness or injury, family emergencies, certain University-approved curricular and extra-curricular activities, and religious holidays can be legitimate reasons to miss class or to be excused from a scheduled examination.

In the case of your own illness lasting more than five days. or injury, a note from a physician, physician's assistant, or a nurse-practitioner that says, among other things, **"..unable to attend.."** is required. The words "unable to attend" must be precisely stated in the note. If the note leaves any ambiguity on this point you will not be excused. Further, the note must be provided to the instructor within one week of the missed course event (in cases of extended illness or incapacity, the note must be provided within a week of the end of your illness or incapacity, and it should specify the period of your inability to attend the course).

With regard to family emergencies, you must provide verifiable documentation of the emergency. Given the vast array of family emergencies the instructor will provide precise guidance as to what constitutes adequate documentation. Unless the emergency is critical you should notify the instructor in advance of your absence from the scheduled course event. In cases of critical emergencies, you must notify the instructor within one week of your absence.

For University-approved curricular and extra-curricular activities, verifiable documentation is also required. The student should obtain from the unit or department sponsoring the activity a letter (or class absence form) indicating the anticipated absence(s). The letter must be presented to the instructor at least one week prior to the first absence.

In the case of [religious holidays](#), the student should notify the instructor by the third week of the course of any potential conflicts.

Important information:

1. Accommodations: Indiana University encourages qualified persons with disabilities to participate in its programs and activities and is committed to the policy that all people shall have equal access to programs, facilities, and admissions without regard to personal characteristics not related to ability, performance, or qualifications as determined by University policy, by state or federal authorities. If you desire classroom/testing accommodations for a disability, contact your instructor outside of class to present the written supporting memorandum of accommodation from the [Accessible Educational Services](#).
2. The last day for an automatic "W" is Sunday, March 10th. This is also the last day to get a withdrawal slip signed without a special petition. Other important deadlines can be found [here](#).
3. Note selling: Various commercial services have approached students regarding selling class notes/study guides to their classmates. Selling the instructor's notes/study guides or uploading course assignments to these sites (even after the course has ended) in exchange for access to materials for other courses is not permitted. Violations of this policy will be reported to the Dean of Students (Office of Student Conduct) as academic misconduct. Sanctions for academic misconduct for this action may include a failing grade on the assignment for which the notes/study guides or assignments have been being uploaded, a reduction in your final course grade, or a failing grade in the course, among other possibilities. Additionally, you should know that selling

a faculty member's notes/study guides individually or on behalf of one of these services using IU email or via Canvas, may also constitute a violation of IU information technology and IU intellectual property policies; additional consequences may result.

4. **Online Course Materials:** The instructor teaching this course holds the exclusive right to distribute, modify, post, and reproduce course materials, including all written materials, study guides, lectures, assignments, exercises, and exams. Some of the course content may be downloadable, but you should not distribute, post, or alter the instructor's intellectual property. While you are permitted to take notes on the online materials and lectures posted for this course for your personal use, you are not permitted to re-post in another forum, distribute, or reproduce content from this course without the express written permission of the instructor.
5. **GroupMe and Other External Messaging Platforms:** You may receive emails from other students about joining GroupMe, Discord, or similar external group messaging platforms for individual classes via Canvas. Even though invitations to join the group may be issued through Canvas, this does not imply the endorsement of the course instructor. While platforms like GroupMe, Discord, etc. can be an effective way of contacting classmates and clarifying information related to the course, they can also be sources of unauthorized information sharing or collaboration. Collaborative effort on assignments, quizzes, and exams, including sharing or discussing answers when the instructor has not expressly authorized collaboration, is considered cheating. If academic dishonesty occurs via GroupMe or a similar messaging platform, everyone involved in the thread may be found responsible for academic misconduct since membership in the group suggests that they have been able to view the information shared.
6. **Title IX:** As your instructor, one of my responsibilities is to create a positive learning environment for all students. IU policy prohibits sexual misconduct in any form, including sexual harassment, sexual assault, stalking, sexual exploitation, and dating, and domestic violence. If you seek help and would like to speak to someone confidentially, you can make an appointment with the [IU Sexual Assault Crisis Services](#) at (812) 855-8900, or contact a Confidential Victim Advocate at (812) 856-2469 or cva@indiana.edu. It is also vital you know University policy requires me to share certain information brought to my attention about potential sexual misconduct with the campus Deputy Sexual Misconduct & Title IX Coordinator or the University Sexual Misconduct & Title IX Coordinator. In that event, those individuals will work to ensure that appropriate measures are taken, and resources are made available. Protecting student privacy is of utmost concern, and information will only be shared with those that need to know to ensure the University can respond and assist. I encourage you to visit [Stop Sexual Violence](#) to learn more.
7. **Modification of policies** may be required during the semester. The instructor will make explicit announcements pertaining to any such changes.

Campus resources:

[UITS Support Center](#): 24x7 technical support

[Knowledge Base](#): Find answers to thousands of questions about information technology at IU

[Student Academic Center](#)

[Academic Support Center](#)

[Protect IU](#): For immediate emergency assistance dial 9-1-1. For non-emergency assistance call (812)-855-4111.

[IU Counseling and Psychological Services \(CAPS\)](#): Need to talk to someone who cares? Their trained, professional staff will give you the confidential support you need.

Tentative B251 Schedule

<u>Dates of classes</u>	<u>Expected topic(s)</u>	<u>Module</u>	<u>Assignments/ Exams</u>
January 9 & 11	Introduction, Syllabus, Course Materials, Basic Economics	Module 1	Syllabus Quiz (Jan 14 th 11:59 pm)
January 16 & 18	Basic Economics, PPC	Module 1, Module 2	Quiz 1 (Jan 21 st 11:59 pm) Module 1 questions (Jan 19 th 11:59 pm)
January 23 & 25	Comparative Advantage, Gains from Trade	Module 2	Quiz 2 (Jan 28 th 11:59 pm) Module 2 questions (Jan 26 th 11:59 pm)
January 30 & February 1	Supply and Demand, Quantity Supplied/Demanded Non-price Determinants, Equilibrium	Module 3	Q&A 1 (Feb 2 nd 11:59 pm) Module 3 questions (Feb 2 nd 11:59 pm) Quiz 3 (Feb 4 th 11:59 pm)
February 6 & 8	Elasticity, Determinants of Elasticity, Supply/Demand/Cross-Price/Income Elasticity	Module 4	Module 4 questions (Feb 9 th 11:59 pm) Quiz 4 (Feb 11 th 11:59 pm)

February 13 & 15	Wrap up/Review	Modules 1-4	Midterm 1 4:45 pm, Feb 15 Thursday
February 20 & 22	Efficiency and Equity: Consumer/Producer Surplus, Willingness to pay/sell	Module 5	Q&A 2 (Feb 23 rd 11:59 pm) Module 5 questions (Feb 23 rd 11:59 pm) Quiz 5 (Feb 25 th 11:59 pm)
February 27 & 29	Price ceilings, price floors, taxes and subsidies, welfare loss	Module 6	Module 6 questions (Mar 1 st 11:59 pm) Quiz 6 (Mar 3 rd 11:59 pm)
March 5 & 7	Market Failures: Externalities, Rivalry and Excludability, free-riders, tragedy of the commons, public/private/club goods & common resources	Module 7	Module 7 questions (Mar 8 th 11:59 pm) Quiz 7 (Mar 10 th 11:59 pm)
March 12 & 14	Spring Break		
March 19 & 21	Consumer Optimum: Budget lines, Utility, Total/Marginal Utility	Module 8	Module 8 questions (Mar 22 nd 11:59 pm) Q&A 3 (Mar 22 nd 11:59 pm) Quiz 8 (Mar 24 th 11:59 pm)
March 26 & 28	Wrap-up/Review	Modules 4-8	Midterm 2 4:45 pm, Mar 28 Thursday
April 2 & 4	Firms and Industries: Basic Structures, Production and Costs: Accounting/Economic Profit, Short/Long Run, Diminishing returns, Total/Marginal/Variable/Fixed Costs	Module 9	Module 9 questions (Apr 5 th 11:59 pm) Quiz 9 (Apr 7 th 11:59 pm)
April 9 & 11	Firms and Industries: Perfect Competition: Entry/Exit, Short run supply	Module 10	Q&A 4 (Apr 12 th 11:59 pm) Module 10 questions (Apr 12 th 11:59 pm) Quiz 10 (Apr 14 th 11:59 pm)
April 16 & 18	Firms and Industries: Monopoly: Barriers to entry, Price Discrimination	Module 11	Module 11 questions (Apr 19 th 11:59 pm) Quiz 11 (Apr 21 st 11:59 pm)
April 23 & 25	Firms and Industries: Oligopolies and Game Theory Wrap-up, Review	Module 12	Module 12 questions (Apr 26 th 11:59 pm) Quiz 12 (Apr 28 th 11:59 pm) Q&A 5 (Apr 26 th 11:59 pm)
	FINAL EXAM Tuesday, April 30th 12:40 pm – 2:40 pm		FINAL EXAM