

**Business Economics**  
Lubin School of Business  
Professor Niso Abuaf [nabuaf@pace.edu](mailto:nabuaf@pace.edu)

**Course Description and Philosophy**

To emphasize the pragmatic applications of theory. Dr. Abuaf, a former Chicago academic with 30 years of Wall Street experience will share his experiences with a wide array of his clients, and will encourage students to comment.

Introduces the principles of microeconomics and macroeconomics. Provides the tools and quantitative techniques to understand and analyze the pricing and production decisions by managers of individual firms as well as current economic policy issues on the national and international level. Microeconomic topics include: the nature of economics, supply and demand, elasticity of demand, production and costs, and various market structures. Macroeconomic topics include: the monetary and banking system, inflation, economic fluctuations and growth, and monetary and fiscal policy for maintaining stability and growth.

The economic principles covered in this course are essential to appraising real world economic issues and their worldwide impacts. The course is designed to provide MBA students with the economic tools and conceptual frameworks to better understand and analyze business decision-making and markets, and the government policy environment in which business operates. Both graphical and algebraic analysis is used to illustrate key points. Students are encouraged to consider the effects of the economic environment on society at large and on business investment decisions in particular. The course develops the analytical framework useful to the study of finance, marketing, operations and other business subjects.

**Course Requirements**

1. **Blackboard.** All course announcements and related materials will be posted on the class website on **Blackboard:** <http://blackboard.pace.edu>. Students are required to periodically check the class announcements and course documents on **the Blackboard.**
2. **Attendance and Class Participation.** Regular attendance is an important requirement for successful performance in this course. You are responsible for knowing what occurs in class which may include material not covered in the readings, modifications to the syllabus and announcements concerning exams, homeworks and quizzes. You will also be expected to actively participate in classroom discussion and answer questions that are posed to you.
3. **Quizzes.** There may be several in class, unannounced quizzes consisting of questions and problems similar to those covered in class and given as homework. Students could be also asked to explain their homework solutions in class. It is not as important to have a correct solution as it is to demonstrate that you have worked on your homework.

**Grades and Grading**

Individual Project.....	25%
Group Project.....	25%
Final Exam.....	35%
Class Participation .....	15%

The final exam will be comprehensive.

Grading will be based on a normal distribution curve and will follow **Lubin** guidelines. Please do not ask the professor for your grade. You will receive your grade through the regular channels.

### ***Honor Code***

You are responsible for maintaining Pace University's code of conduct which mandates zero tolerance for cheating and plagiarism. Violations of the code of conduct will be prosecuted with a minimum penalty of failure for the course, as required by code of conduct rules.

### ***Reasonable Accommodations for Students with Disabilities***

The University's commitment to equal educational opportunities for students with disabilities includes providing reasonable accommodations for the needs of students with disabilities. To request an accommodation for a qualifying disability, a student must self-identify and register with the Coordinator of Disability Services for his or her campus. No one, including faculty, is authorized to evaluate the need and arrange for an accommodation except the Coordinator of Disability Services. Moreover, no one, including faculty, is authorized to contact the Coordinator of Disability Services on behalf of a student. For further information, please see Information for Students with Disabilities on the University's web site.

### ***Required Materials***

R.H. Frank and Ben S. Bernanke, ***Principles of Economics***, Fourth Edition, McGraw-Hill Irwin, 2009.

You are strongly encouraged to remain current on business and economic developments by reading relevant articles in newspapers such as The Wall Street Journal, The New York Times and Financial Times, and weekly magazines such as Business Week and the Economist. You are also encouraged to bring up relevant current events and issues for class discussion.

Several free literature sources are available and recommended through a number of Federal Reserve Banks e.g., New York, Atlanta, Cleveland, Kansas City, etc., and the Levy Economic Institute at Bard College. Check their websites for availability.

### ***Web/Internet Support***

Some interesting and helpful websites include:

Bureau of Labor Statistics: price indexes, earnings, unemployment, productivity – [www.bls.gov](http://www.bls.gov)

Bureau of Economic Analysis: national income and product accounts, trade, balance of payments data – [www.bea.gov](http://www.bea.gov)

New York Federal Reserve Bank: monetary and foreign exchange data – [www.ny.frb.org](http://www.ny.frb.org)

Federal Reserve Board: monetary policy, tools, and reports – [www.federalreserve.gov](http://www.federalreserve.gov)

### ***General Responsibilities***

It is your responsibility to read, understand and abide by all of the course information and policies listed below. Failure to do so may result in your failing this course or being withdrawn from the course by your professor.

### **Course Outline**

1. Introduction, Chps. 1-3
  - a. Thinking like an economist
  - b. Comparative advantage
  - c. Supply and demand
2. Competition and the invisible hand, Chps. 4-8
  - a. Elasticity
  - b. Demand
  - c. Perfectly competitive supply
  - d. Efficiency and exchange
  - e. The invisible hand in action
3. Market imperfections, Chps. 9-12
  - a. Monopoly, oligopoly, and monopolistic competition
  - b. Games and strategic behavior
  - c. Externalities and property rights
  - d. The economics of information
4. Macroeconomics: data and issues, Chps. 16-18
  - a. Spending, income and GDP
  - b. Inflation and the price level
  - c. Wages and unemployment
5. The economy in the long run, Chps. 19-21
  - a. Economic growth
  - b. Saving, capital formation, and financial markets
  - c. The financial system, money and prices
6. The economy in the short run, Chps. 22-26
  - a. Short-term economic fluctuations
  - b. Spending and output in the short run
  - c. Stabilizing the economy: the Fed and the Treasury
  - d. Aggregate demand and supply
  - e. Macroeconomic policy
7. The international economy
  - a. Exchange rates and the open economy
  - b. International trade and capital flows