

Tennessee State University
Spring 2013
ECON 5000: Foundation in Economics and Finance

Instructor: Dr. Jerry W. Crigger

Classroom: 204 AWC

Class Meeting: Monday: 5:30—8:30 p.m.

Office: AWC I-407

Office Phone: 615-963-7321

Office Hours: Monday: 3:00—5:00 p.m.

Tuesday: 2:00—4:00 p.m.

Thursday: 3:00—5:00 p.m.

Also by appointment

Email: jcrigger@tnstate.edu

Course Requirements and Tools:

Required Textbooks:

There are two required textbooks for this course: (1) Essentials of Economics; 6th Edition by N. Gregory Mankiw; and (2) Fundamentals of Financial Management; Concise 7th edition by Brigham and Houston. Supplementary material also may be provided in class

Course Description:

This course is designed primarily as a prerequisite for advanced economics and finance courses in MBA program. The course curriculum includes an introduction to basic economic principles and their applications in real-world environments, as well as elementary finance theory and its applications. Students graduating from this course are expected to be prepared for graduate level (MBA) level courses in managerial economics, managerial finance etc.

Learning Environment:

Attendance, student participation, and enthusiasm are essential ingredients for success in this course. The classroom is an environment that must be conducive to active learning. Regular attendance, reading the assigned chapters before class, and working relevant problems outside class enhances mastery of the material. Students are responsible for obtaining any information that is given in class in the event a class must be missed.

Examinations:

Five, non-comprehensive exams will be given during the semester. These will be multiple choice, short answer, and short essay.

Make-up examinations will be given only in extreme circumstances, which must be properly documented and approved by the instructor. Approval for any make-up examination must be granted prior to the scheduled examination.

Before each examination, a portion of class discussion will focus on suggested areas of study for the exam as an aid to the student. The discussion is not intended to be exhaustive of the material to be tested.

Each examination will contain bonus questions equal to 10 points to aid students in maximizing the final assessment for the course. Bonus questions will be taken from the textbook as well as outside readings provided or assigned by the instructor.

Evaluation Procedure:

The final grade for the course will be determined as follows:

Each of the five exam scores: 18%

Class Participation: 10%

Grading Scale:

90% and above:	A
80% to 89.9%:	B
70% to 79.9%:	C
60% to 69.9%:	D

Accommodation for Disabilities:

If you have a documented disability and would like TSU to provide reasonable accommodations for the disability during this course, please contact Disabilities Services, Room 117 Campus Center, 615-963-7400.

Course Outline and Exam Schedule:

The right to change the course syllabus is reserved

PART I Economics: Essentials of Economics; 6th Edition by N. Gregory Mankiw

Economics outline:

To limit the course to a manageable length, some sections in various chapters will be omitted. While deviations will occur, the intended topics are as follows:

January 21: MLK Holiday: No Class

January 28: Chapter 1: Ten Principles of Economics
Chapter 2: Thinking Like an Economist
Chapter 3: Interdependence and Gains from Trade

- February 4: Chapter 4: The Market Force of Supply and Demand
Chapter 5: Elasticity & Its Implications
Chapter 6: Supply, Demand, and Government Policies
- February 11: Exam I: (1 Hour)
Chapter 8: Application: The Costs of Taxation
Chapter 9: Application: International Trade
- February 18: Chapter 12: The Costs of Production
Chapter 13: Firms in Competitive Markets
- February 25: Chapter 14: Monopoly
Chapter 15: Measuring a Nation's Income
- March 4: Test II (1 Hour)
Chapter 16: Measuring the Cost of Living
Chapter 20: Unemployment
- March 11: Spring Break: No Class
- March 18: Chapter 21: The Monetary System
Chapter 23: Aggregate Demand and Aggregate Supply

PART II Finance: Fundamentals of Financial Management, Concise 7th edition by Brigham and Houston

Calculators: A financial calculator is **REQUIRED**, as it will be very difficult to solve the problems or pass the exams without one. As you will soon see, the ability to use a financial calculator is critical to class success. Students are responsible for learning how to operate the calculator within the first of the semester. Your calculator should be capable of solving for 1) Present value, 2) Future value, 3) Annuity payments, 4) Interest rate, 5) The number of time periods, 6) Net present value, and 7) The internal rate of return. Calculators may not be shared during a test. You are responsible for bringing your own calculator and extra batteries to each class and exam. I am using the **HP10BII** calculator.

Finance outline:

To limit the course to a manageable length, some sections in various chapters will be omitted. While deviations will occur, intended topics are as follows:

- March 25: Test III: (1 Hour)
Chapter 1: An Overview of Financial Management
Chapter 2: Financial Markets and Institutions

April 1: Chapter 3: Financial Statements, Cash Flow, and Taxes
Chapter 4: Analysis of Financial Statements

April 8: Chapter 5: Time Value of Money
Chapter 6: Interest Rates

April 15: Test IV: (1 Hour)
Chapter 7: Bonds and Their Valuation

April 22: Chapter 8: Risk and Rates of Return
Chapter 9: Stocks and Their Valuation

April 29: Chapter 10: The Cost of Capital
Chapter 11: Capital Budgeting

May 6: Exam IV