



# Kazakh-British Technical University

## Business School

### Finance and Accounting Department

**APPROVED**

**Dean of KBTU Business School**

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**Dr. Yuri Loktionov, Ph.D.**

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## Syllabus

### Economics for Investment Decisions I

Instructor's Personal information	Contact time & place		E-mail
	Lectures/Tutorials	Office hours:	
Alex Mosesov, Ph.D Associate Professor of Economics	According to the schedule	According to the schedule	<a href="mailto:a.mosesov@kbtu.kz">a.mosesov@kbtu.kz</a>  <a href="http://kbtu-bs.kz/Our_Administration.asp">http://kbtu-bs.kz/Our_Administration.asp</a> <a href="#">x</a>

**Almaty**

**Spring 2014**

## **Course Description**

Economics is a social science that deals with the allocation of resources within and across firms, households, and other decision-making units. It also deals with the functional and personal distribution of income. As such, it covers the operation and organization of firms and industries, the determination of prices for factors and products, as well as the determinants of economic growth and development. It analyzes production, consumption, investment, employment, trade, and government interventions including fiscal, monetary, and regulatory policies. Thus, both micro- and macro-economic analyses are essential in the decision making of businesses, households and governments.

## **Course Objectives**

The objective of this course is to introduce students to economic decision making for businesses and to provide students with analytical tools that are useful in industrial business environment. This will enable the students to learn functional areas of economics, such as production and pricing, demand estimation and capital budgeting from an economic perspective.

## **Course Outcomes**

The course will match objectives of the Master's program and at the same time it will be focused on the Learning Outcomes of Level I CFA Program Curriculum – Study session 4 (Readings 13-28). By the end of the course, the students should know the micro- and macroeconomic principles used to describe the marketplace behavior of consumers and firms, market and aggregate supply and demand, the competitive characteristics of different industries and government actions in markets. They should know how to use the economics tools and models for understanding how product and resource markets function, interaction of employment and inflation, business cycles, as well as measures of fiscal and monetary policy.

## **Knowledge**

Students will have the tools and techniques to be able to:

- Understand micro- and macroeconomic fundamentals;
- Analyze the market and aggregate demand and supply;
- Use the concepts of production functions, utility, total surplus, elasticities, market failure, market power and others;
- Distinguish between the short-run and long-run economic impacts
- See the big picture - drivers, key indicators, issues of the day;
- Acknowledge economics as the science of manipulating macro wealth - for what reason?
- Be able to apply the knowledge practically to their role;
- Know implications of unemployment, inflation and public policies targeting them;
- Understand how macro factors might have an effect on different asset classes;
- Analyze real, current data and explain its impact on the financial markets.

## **Required Texts**

1. CFA Program Curriculum: Economics - Level 1, 2010 (L1)
2. Economics for Investment Decision Makers: Micro, Macro and International Economics, by Piros & Pinto, 2013 (EID)
3. Michael Parkin, Economics. 10<sup>th</sup> Ed., Prentice Hall, 2011, 864 p. ISBN 10: 0-13-139465-7, ISBN 13: 978-0-13-139465

## Curriculum Plan

Topics	Classroom Hours (15 hours)			Readings and Assignments	Core Text Chapters
	Topic	Lectures	Tutorials		
		Hours	Hours		
1.	<b>Microeconomic Analysis:</b> Organizing Production. Output and Costs.	2	1	Reading 16-17 (L1)	10, 11
2.	<b>Market Structure:</b> Perfect competition, monopoly, monopolistic competition and oligopoly. Markets for factors of production.	2	1	Reading 18-21 (L1)	12, 13, 18
3.	<b>Macroeconomic Analysis:</b> Jobs & inflation. Aggregate supply & demand.	2	1	Reading 22-23 (L1)	21-22, 27
4.	<b>Monetary and Fiscal Economics:</b> Money, price level, inflation and business cycles.	2	1	Reading 24-25 (L1)	25
5.	<b>Monetary and Fiscal Economics:</b> Monetary and fiscal policies.	2	1	Reading 26-27 (L1)	30, 31
6.	<b>Final exam</b>				

**Lectures** cover the theoretical framework. Therefore students are provided with material on the intranet. Class participation or activity of a student in class welcome and part of the final grade. A requirement for graduate students is to prepare for each lecture.

**Practical classes** are carried in the form of problem solving in the classroom. Preparation for practical training is the solution of similar problems in accordance with the theme of lectures.

**Attendance and class participation** is required and is a part of your final grade. Attendance is NOT the same as participation. Besides the submission of homework before each class started, students are expected to participate in class discussions. Despite the lectures would be based on the mains part of the required book, many practical issued might be considered only during the lectures, so omitting them may affect your performance. Besides, class discussions and questions make the subject more interesting and relevant, for both students and the instructor.

**STUDENTS, WHO MISSED THE CLASSES OVER THE 20% OF ALL CLASSES WITHOUT THE NOTIFICATION OF A LECTURER, WILL GET "F" GRADE FOR THE COURSE.** Being late or leaving before the end of class (regardless of a reason) might be treated as one missed day. One of the main requirements of the course is to be prepared BEFORE the class, i.e. look through the mentioned in the syllabus assigned chapters, perhaps some additional materials, and be ready to be active during the discussion or problem solving.

### **Policy evaluation of knowledge**

Final Exam or Paper covers and summarizes all course material. The exam or paper is conducted in writing, and is a combination of tasks that will include tests, tasks, work with the terms, etc. throughout the courses. No additional jobs for the exam to improve assessment, if it is low, will not be issued. Retake is also not available. Final exam is estimated at 40 % of the total grade. The final grade is in accordance with the adopted KBTU rating scale.

### **Participation**

Class participation is encouraged and makes up 20% of the total grade for the course. For some courses class participation can be replaced by quizzes and home assignments.

### **Late submission**

A failure to meet specified deadlines in the absence of acceptable extenuating circumstances will be penalized by 50% deduction of relevant grades. The same approach is applied for overall topic sketches which are due to be submitted at the beginning of next lecture.

### **Plagiarism and collusion**

The penalties for plagiarism and/or collusion are severe: up to decision of "F" (a failure of the course).

### **ACADEMIC POLICIES OF CONDUCT AND ETHICS**

Students should:

- be respectful to teachers and other undergraduates;
- turn off cell phones in time employment;
- not cheat. Plagiarism and other forms of cheating are not allowed;
- comply with deadlines for assignments;
- come prepared for each class. Retake tests is not available without a valid reason;
- comply with the policy on W, AW, I, F.

### **Instructor welcomes the following:**

- discuss with a teacher any problems regarding this subject;
- submit the assignments on time;
- make any suggestions to improve the academic process;
- track their progress throughout the semester.

### **Cell Phones**

Any sound devices must be in silent function and not allowed to use during the lectures, tutorials and the final exam.

### **Groundless requests**

Any groundless requests of students which refer to give additional points and/or any attempts to negotiate with Instructor on student's performance will be considered as violation of rules. This violation will penalized by deductions of 20% points from the overall grade of the student.

**Assistance:** Do not ever hesitate to request assistance during the office hours with anything you do not understand or need advice.

**Grading system:**

Letters	Numerical equivalent	Percentage	Traditional
A	4.0	95-100	Excellent
A-	3.67	90-94	
B+	3.33	85-89	Good
B	3.0	80-84	
B-	2.67	75-79	
C+	2.33	70-74	Satisfactory
C	2.0	65-69	
C-	1.67	60-64	
D+	1.33	55-59	
D	1.0	50-54	
F	0	0-49	Unsatisfactory