Economics Principles of Financial Decision Making
Personal Financial Planning (PFP) 5341
HS-136 MW 2:00-3:20 PM

Instructor: Zhikun Liu
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Office hours: MW 3:20-5:00PM
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Email: Zhikun.Liu@ttu.edu

Course Description:
This course will cover the key microeconomic and macroeconomic principles related to financial decision making.

Textbooks (Required):

Expected Learning Outcomes:
Upon completion of this course, students will be able to:
1. Explain and apply the concept of opportunity cost.
2. Explain and apply the concepts of supply and demand.
3. Understand and explain the importance of uncertainty and consumer behavior.
4. Understand and explain the basic concepts of production and cost theory.
5. Understand and explain market structure and competitive strategy.
6. Understand and explain what GDP is and how to measure it.
7. Distinguish and apply the differences between fiscal and monetary policies.
8. Know the basic concepts regard economic growth and aggregate demand and supply.

Methods for Assessing the Expected Learning Outcomes:
The expected learning outcomes for this course will be assessed via in class quizzes, a midterm exam and a final exam. The midterm exam will be given during the regular class period on Wednesday Oct 19th, 2016. The final exam will be given in the regular classroom on Wednesday, Dec 14, from 4:30 p.m. until 7:00 p.m.

Scheduling Notes:
There will be no class on the following dates:
• Monday, Sep 5th (Labor Day Holiday)
• Wednesday, Nov 23rd (Thanksgiving Vacation: Nov. 23-27)

Grading:
Quizzes (40%)
Midterm Exam (30%)
Final Exam (30%)

The following scale will be used to convert numerical grades to letter grades:

Numerical Grade   Letter Grade
97-100   A+
93-96    A
90-92    A-
87-89    B+
83-86    B
80-82    B-
77-79    C+
73-76    C
70-72    C-
67-69    D+
63-66    D
60-62    D-
0-59     F

Attendance Policy:
Students are expected to attend all classes. The attendance will be recorded with in class quizzes submission. Students must come to class having reviewed their notes from the prior class period and having completed the assigned reading.

Makeup Quizzes and Exams:
If students have one of the following excuses and provide appropriate documentation, students will be allowed to take a make-up exam.
- Participation in an authorized University activity (e.g. a department trip or other activity) given that the instructor is provided with written documentation regarding the absence from the relevant department within the first two weeks of class
- Religious observance given that the instructor is notified within the first two weeks of class
- Hospitalization given that the instructor is provided with acceptable written documentation upon the student’s return to class
- Death of an immediate family member given that acceptable written documentation such as a funeral notice is provided upon return to class.

Note: If an absence is unexcused, the student will receive a grade of zero on that missed exam.

Financial Aid Policy
Unsuccessful completion of this class or course completion of at least 60% of the semester may result in repayment of all or part of your student financial aid. For further information, please contact Student Financial Aid, 806-742-3681, or finaid.advisor@ttu.edu.

Americans with Disabilities Act (ADA):
Any student who, because of a disability, may require special arrangements in order to meet the course requirements should contact the instructor as possible to make necessary arrangements. Students must present appropriate verification from Student Disability Services during the instructor’s office hours. Please note: Instructors are not allowed to provide classroom accommodation to a student until appropriate verification from Student Disability Services has been provided. For additional information, please contact Student Disability Services office in West Hall or call 806-742-2405.

Academic Honesty:
Texas Tech University is committed to a high standard of integrity and, therefore, academic honesty is expected. Academic dishonesty includes, but is not limited to, cheating, plagiarism, collusion, falsifying academic records, misrepresenting facts, and any act designed to give unfair academic advantage to the student (such as, but not limited to, submission of essentially the same written assignment for two courses
without the prior permission of the instructor) or the attempt to commit such an act. Since dishonesty harms the individual, fellow students, and the integrity of the University, policies on academic dishonesty will be strictly enforced. Students who violate University rules on academic dishonesty are subject to disciplinary penalties, including the possibility of failure of the course and dismissal from the University. Each student is expected to follow the honor code and behave in accordance with the rules of the University as outlined in the Code of Student Conduct:

Plagiarism:
Plagiarism occurs when a student submits work that is not his or her own. This includes copying from printed materials, websites, or from other people. Any assignment containing plagiarized material will automatically be graded as zero. Plagiarism may also result in failing the entire course. Students who do not thoroughly understand methods of proper documentation should request assistance from the instructor. The TTU Library has a resource on avoiding plagiarism at the following website:
http://library.ttu.edu/ul/cswrc/wr_plag.php

Civility in the Classroom:
Students are expected to assist in maintaining a classroom environment that is conducive to learning. In order to assure that all students have an opportunity to gain from time spent in class, students are prohibited from using cellular phones or beepers, making offensive remarks, chatting, reading newspapers, sleeping, or engaging in any other form of distraction. Inappropriate behavior in the classroom will result in the offending student or students being asked to leave the classroom.

Emergency Procedures
In the unlikely event of an emergency, students and faculty should follow the guidance provided at the website below. There is a possibility that this may include evacuation of the building or seeking shelter within the building.
http://www.depts.ttu.edu/hs/emergency_planning/index.php
http://www.depts.ttu.edu/communications/emergency/
## Tentative Schedule

<table>
<thead>
<tr>
<th>Topic</th>
<th>Readings</th>
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<tbody>
<tr>
<td><strong>Part 1: Micro Economics (80%)</strong></td>
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<tr>
<td>Course Introduction and General Econ Knowledge</td>
<td>Syllabus and Introduction Basic Econ, Financial and math concepts review</td>
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<tr>
<td>Introduction to markets and prices</td>
<td>Pindyck and Rubinfeld Chapter 1</td>
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<tr>
<td>The basics of supply and demand</td>
<td>Pindyck and Rubinfeld Chapter 2</td>
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<td>Consumer behavior</td>
<td>Pindyck and Rubinfeld Chapter 3</td>
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<tr>
<td>Individual and market demand</td>
<td>Pindyck and Rubinfeld Chapter 4</td>
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<tr>
<td>Uncertainty and consumer behavior</td>
<td>Pindyck and Rubinfeld Chapter 5</td>
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<tr>
<td>Production</td>
<td>Pindyck and Rubinfeld Chapter 6</td>
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<tr>
<td>The cost of production</td>
<td>Pindyck and Rubinfeld Chapter 7</td>
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<tr>
<td>Profit maximization and competitive supply</td>
<td>Pindyck and Rubinfeld Chapter 8</td>
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<tr>
<td>The analysis of competitive markets</td>
<td>Pindyck and Rubinfeld Chapter 9</td>
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<tr>
<td>Market Power: Monopoly and Monopsony</td>
<td>Pindyck and Rubinfeld Chapter 10</td>
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<tr>
<td>Monopolistic Competition and Oligopoly</td>
<td>Pindyck and Rubinfeld Chapter 12</td>
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<tr>
<td>Investment, time, and capital markets</td>
<td>Pindyck and Rubinfeld Chapter 15</td>
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<tr>
<td><strong>Part 2: Macro Economics (20%)</strong></td>
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<tr>
<td><strong>Potential Topics</strong></td>
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<tr>
<td>Measuring GDP and economic growth</td>
<td>Parkin Chapter 4; Bloomberg Economic Indicator Module¹</td>
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<tr>
<td>Economic growth and inflation</td>
<td>Parkin Chapter 6 &amp; 8</td>
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<tr>
<td>Aggregate supply and aggregate demand</td>
<td>Parkin Chapter 10</td>
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<tr>
<td>Fiscal policy</td>
<td>Parkin Chapter 13</td>
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<tr>
<td>Monetary policy</td>
<td>Parkin Chapter 14; Bloomberg Currency Module²</td>
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¹ Students who take this course will be given a 1 year license to Bloomberg Market Concepts (BMC) educational modules. Bloomberg Market Concepts (BMC) is a self-paced e-learning course that provides a visual introduction to the financial markets. (BMC consists of 4 modules – Economics, Currencies, Fixed Income and Equities – woven together from Bloomberg data, news, analytics and television.) You are only required to finish the first module (less than 1 hour total) – Economic Indicators – as complimentary study material for Part 2: Macro Economic Concepts. Detailed instructions will be given in class.

² This Module is not required but encouraged to complete.