Class Description:
Prerequisites: Pre-calculus or equivalent level of mathematical training

This course provides a survey of microeconomic issues at introductory level. We will make use of theories and empirical examples to understand key aspects of the significant changes that take place in the world economies. We will explore a wide range of economic phenomena including firms' market power and costs structure, firms' investments and business strategies, the role of antitrust law and regulation. Every piece of theory is related to applications so as to offer a continuing sense of the relevance of theory to reality.

Instructor Details:
Name: Margherita Velucchi
NYU Global Home Email Address: mvelucchi@nyu.edu
Office Hours: after class or by appointment
Villa Ulivi Office Location: Villa Ulivi, second floor, shared offices
Villa Ulivi Phone Number: +39 055 5007 300

Desired Outcomes:

On completion of this course, students should:

● Have improved their mastery of economic and business related concepts;
● Have performed graphical and quantitative treatment of the theories
● Have made relevant connections between theory and real world examples, through references to media material, readings or case studies
● Find an increased interest to read economic and business related materials in the media.
Assessment Components

- Attendance and Participation: Weekly online quizzes posted in NYU Classes, discussions in class, in class activities (10%)
- Written Assignments (3 Problem Sets): These Problem Sets will contain Essay type/graphical assessment questions based on book material or on current readings related to microeconomic issues (20%)
- Midterm Exam: Identification questions, true/false questions, multiple choice, essay questions, some calculations involved (30%)
- Final Exam: Identification questions, true/false questions, multiple choice, essay questions, some calculations involved (40%)
- Failure to submit or fulfill any required course component results in failure of the class.

Assessment Expectations:

- **Grade A:** The student makes excellent use of empirical and theoretical material and offers structured arguments in his/her work. The student writes comprehensive essays/exam questions and his/her work shows strong evidence of critical thought and extensive reading.
- **Grade B:** The candidate shows a good understanding of the problem and has demonstrated the ability to formulate and execute a coherent research strategy
- **Grade C:** The work is acceptable and shows a basic grasp of the research problem. However, the work fails to organize findings coherently and is in need of improvement
- **Grade D:** The work passes because some relevant points are made. However, there may be a problem of poor definition, lack of critical awareness, poor research
- **Grade F:** The work shows that the research problem is not understood; there is little or no critical awareness and the research is clearly negligible
- *Please note, Stern Business courses will adhere to the Stern Grading Guidelines*

Grading Guidelines

**Required Grading Language for Core Courses**

At NYU Stern, we strive to create courses that challenge students intellectually and that meet the Stern standards of academic excellence. To ensure fairness and clarity of grading, the Stern faculty have adopted a grading guideline for core courses with enrollments of more than 25 students in which approximately 35% of students will receive an “A” or “A-” grade. In core classes of less than 25 students, the instructor is at liberty to give whatever grades they think the students deserve, while maintaining rigorous academic standards.

- **Grade A:** The student makes excellent use of empirical and theoretical material and offers structured arguments in his/her work. The student writes comprehensive essays/exam questions and his/her work shows strong evidence of critical thought and extensive reading.
- **Grade B:** The candidate shows a good understanding of the problem and has demonstrated the ability to formulate and execute a coherent research strategy
- **Grade C:** The work is acceptable and shows a basic grasp of the research problem. However, the work fails to organize findings coherently and is in need of improvement
- **Grade D:** The work passes because some relevant points are made. However, there may be a problem of poor definition, lack of critical awareness, poor research
- **Grade F:** The work shows that the research problem is not understood; there is little or no critical awareness and the research is clearly negligible

**Grading Policy:**
Please refer to Assessment Expectations and the policy on late submission of work

**Academic Accommodations:**
Academic accommodations are available for students with documented disabilities. Please contact the Moses Center for Students with Disabilities at 212-998-4980 or see the Moses Center for further information.

Students with disabilities who believe that they may need accommodations in a class are encouraged to contact the Moses Center for Students with Disabilities at (212) 998-4980 as soon as possible to better ensure that such accommodations are implemented in a timely fashion. For more information, see Study Away and Disability.

**Attendance Policy:**
Study abroad at Global Academic Centers is an academically intensive and immersive experience, in which students from a wide range of backgrounds exchange ideas in discussion-based seminars. Learning in such an environment depends on the active participation of all students. And since classes typically meet once or twice a week, even a single absence can cause a student to miss a significant portion of a course. To ensure the integrity of this academic experience, class attendance at the centers is mandatory, and unexcused absences will be penalized with a two percent deduction from the student’s final course grade. Students are responsible for making up any work missed due to absence. Repeated absences in a course may result in failure.

For courses that meet once a week, one unexcused absence will be penalized by a two percent deduction from the student’s final course grade. For courses that meet two or more times a week, the same penalty will apply to the number of class times over a single week.

**Excused Absences:**
In case of absence, regardless of the reason, the student is responsible for completing missed assignments, getting notes and making up missed work in a timely manner based upon a schedule that is mutually agreed upon between the faculty member and the student. **The only excused absences are those approved by the Office of Academic Support; they are as follows:**

- **Absence Due to Illness**
  - If you are sick, please see a doctor. Contact the Office of Student Life for assistance.
  - For absences that last for two or more consecutive days, a doctor’s certificate, “certificato medico” is required. The doctor will indicate in writing the number of days of bed rest
required. Please note these certificates can only be obtained on the day you see the doctor and cannot be written for you afterwards.

- Absences can ONLY be excused if they are reported WITHIN 48 HRS of your return to class via the online NYU Florence Absence Form
- OAS will not accept a student email or telephone call regarding an absence due to illness
- OAS will only notify faculty of absences REPORTED on the ABSENCE FORM
- The Office of Student Life, when assisting you in cases of severe or extended illness, will coordinate with the Office of Academic Support to properly record your absences

**Due to Religious Observance**

- Students observing a religious holiday during regularly scheduled class time are entitled to miss class without any penalty to their grade. This is for the holiday only and does not include the days of travel that may come before and/or after the holiday
- Information regarding absences due to religious observance must be provided at least SEVEN DAYS PRIOR to the date(s) in question using the online NYU Florence Absence Form [insert new hyperlink]
- Please note that no excused absences for reasons other than illness can be applied retroactively.

**Due to a class conflict with a program sponsored lecture, event, or activity**

- All students are entitled to miss one class period without any penalty to their grade in order to attend a lecture, event or activity that is sponsored by La Pietra Dialogues, Acton Miscellany or the Graduate Lecture series.
- Information regarding absences due to a class conflict must be provided at least SEVEN DAYS PRIOR to the date(s) in question using the online NYU Florence Absence Form
- Please note that no excused absences for reasons other than illness can be applied retroactively.

Students with questions or needing clarification about this policy are instructed to contact a member of the Office of Academic Support located in Villa Ulivi or to email florence.academicsupport@nyu.edu

**Late Submission of Work:**

- All course work must be submitted on time, in class on the date specified on the syllabus.
- To request an extension on a deadline for an assignment, students must speak to the professor one week prior to the due date
- To receive an incomplete for a course at the end of the semester, two weeks before final exams, both the student and the faculty member must meet with the Assistant Director of Academic Affairs to review the request and if granted, they must both sign an Incomplete Contract detailing the terms for completing missing coursework.
**Plagiarism Policy:**
PLAGIARISM WILL NOT BE TOLERATED IN ANY FORM:
The presentation of another person’s words, ideas, judgment, images or data as though they were your own, whether intentionally or unintentionally, constitutes an act of plagiarism.

In the event of suspected or confirmed cases of plagiarism, The faculty member will consult first with the Assistant Director for Academic Affairs as definitions and procedures vary from school to school. Please consult the “Academic Guidelines for Success” distributed on your USB key at Check-in and on the NYU Florence Global Wiki.

For a detailed description of some possible forms of plagiarism and cheating please consult the Community Compact that you signed at Orientation, a copy of which is on the above mentioned Wiki and USB key.

**Writing Center:**
The Writing Center, located in Aula Belvedere in Villa Ulivi, offers you feedback on any type of writing, at any stage in planning or drafting. Sign up for a consultation at the [Writing Center’s website](#) and submit your working draft or ideas a day in advance to [NYU Florence Writing Center](#). Drop in for a consultation M-Th, but remember that appointments are given priority. Be assured that very rough drafts are welcome. Please note that we do not correct or “fix” your writing; instead we prompt you to think and work. Our aim is to create stronger writers in the long term, not necessarily perfect papers in the short term.

**Required Text(s):**

*Principles of Microeconomics, S.A. Greenlaw, T. Taylor, Openstax, 2014*
[https://openstax.org/details/books/principles-microeconomics](https://openstax.org/details/books/principles-microeconomics)

Copies of each textbook are available for consultation and short term loans in the [Villa Ulivi Library](#). Extra copies of some textbooks are also available for semester long loans. For more information on Books and Course Materials go [here](#).

**Supplemental Text(s):**


**Internet Research Guidelines:**
The careful use of internet resources is encouraged and a list of recommended websites will be given. Failure to cite internet and other non-traditional media sources in your written work constitutes plagiarism.

**Additional Required Equipment:**
A pocket calculator is required.
Class Assignments and Topics:

Session 1 – Sep. 5

**Introduction to Economics**: Economics is a broad-ranging discipline and many of the world’s most pressing problems are economic in nature. This introduction to Economics is intended to give you some idea of the sort of issues that economic analysis helps to clarify and to show some of the tools that economists use, tools you are likely to find useful in your career, personal and role as an informed citizen (Baumol, W.J. and Blinder, A.S., 2006)

(Ch. 1, pp. 1-25)

Session 2 - Sep. 12

**Demand and Supply**: All economic decisions are constrained by the scarcity of available resources; because of this, economic decisions always involve trade-offs. This class introduces the fundamental tool to deal with economic problems: the law of demand and supply.

(Ch.2-3: pp. 25-68; Quiz #1)

Session 3-Sep. 19

**The Consumer Choice and Demand Analysis**: This class introduces the first essential element using which economists analyze markets: you, the buyers (consumers).

(Ch.5-6: pp. 103-144; Quiz #2)

Session 4 – Sep. 26

**Production and Costs and Supply Analysis**: This class introduces the second essential element to analyze markets: the sellers (producers). As in a piece of machinery, all the parts of a market function together and simultaneously, so the heart of the story is in the way they fit together.

(Ch.7: pp. 155-177; Quiz #3)

Session 5- Oct. 3

**Market Structures I Perfect Competition**: To understand the different types of competition a firm can face, it is necessary to explain what we (and newspapers and television...) mean by the word market. Economists distinguish among different kinds of markets, perfect competition is the ideal one.

(Ch.8: pp. 177-203; Quiz #4)

Session 6- Oct. 10

**Market Structures II: Monopoly**: Perfect competition is far from being the typical market form in the U.S. economy. Indeed, it is quite rare. Most of the products you buy are no doubt supplied by entrepreneurs working in different kind of markets. We will describe the possibility that some
industries may be monopolized, the consequences of such a flaw in the market system and the role of government in improving the workings of the market.

(Ch.9: pp. 203-223; Quiz #5)

Session 7 - Oct. 17
Market Structures III: Between Competition and Monopoly Most productive activities in the U.S., as in any advanced country, falls somewhere between the two extreme market forms: perfect competition and monopoly. So, if we want to understand the workings of the market mechanism in a real, modern economy, we must look at hybrid market structures called monopolistic competition and oligopoly.

Review Session.

( Ch.10 pp. 224-243; Quiz #6)

Session 8 – Oct. 24
Midterm Exam

Session 9 – Oct. 28- Nov. 3
Fall Break

Session 10 –Nov. 7
Limiting the Market Power: Regulation and Antitrust To protect the interests of the public when industries are, or threaten to become, monopolistic or oligopolistic, governments use two basic tools. Antitrust laws seek to prevent acquisition of monopoly power. All firms are subject to the antitrust laws and some industries are also regulated by rules that constrain firms' pricing and other decisions.

(Ch.11: pp. 244-263; Quiz #7)

Session 11 – Nov. 14
Investing in Business: Stocks and Bonds. In this class we discuss how real firms finance their activities (notably with stocks and bonds or self-financing). Recent crisis of the banking system and the international financial markets stresses the importance of this topic for firms’ and investors. In this class we will study how to succeed in investments and listen to the lesson by G. Santayana (philosopher) who once said: "Those who cannot remember the past are condemned to repeat it."

(Ch.17: pp. 375-403; Quiz #8)

Session 12 –Nov. 21
Labor: The Human Input. The market mechanism distributes income through its payments to the factors of productions: capital (monetary input) and labor (human input). Their prices determine the distribution of income and have important effects on people's lives.

(Ch. 14 pp. 305-333; Quiz #9)
Session 13 – Nov. 28

**Poverty, Inequality and Discrimination** The study of factor pricing is an indirect way to learn about how the market distributes income among individuals. In this class, we will focus on the problem of income distribution, seeking answers for very important questions: How unequal are income in the U.S. and why? How can society decide rationally on how much equality it wants? And what policies are available to pursue this goal?

(Ch. 21: pp. 419-434, Quiz #10)

Session 14 – Dec. 5

**Roots of competitiveness: Internationalization, Innovation and Growth.** Globalization became a buzzword in the 1990s and economics has strongly debated on its vices and virtues. But one thing is clear: after the 1990s the world has become more integrated into a broader world economy. This phenomenon is mainly due to the increase in the speed of communication and new innovation that hit the markets. The effect is a huge change in the rules of trade.

**Review Session.**

(Ch. 19-20 pp. 417-460 ; Quiz #11)

Session 15 – Dec. 12

**Final Exam**

**Classroom Etiquette**

- Eating is not permitted in the classrooms. Bottled water is permitted.
- Cell phones should be turned off during class time.
- The use of personal laptops and other electronic handheld devices are prohibited in the classroom unless otherwise specified by the professor.
- We recycle! So keep it green! Please dispose of trash in the clearly marked recycle bins located throughout the on campus buildings

**Required Co-curricular Activities**

N/A

**Suggested Co-curricular Activities**
Suggested optional co-curricular activities will be announced in class and/or via email by the professor throughout the semester.

Your Instructor

I live in Florence with my husband and our three daughters (Caterina and Costanza, 7 and Elena, 5). I am a Full Professor of Business Statistics at European University of Rome, I got a degree in Statistics (1998) and a Ph.D. in Economics (2004) and I teach at NYU Florence since 2005. My research interests are on business demography, panel models, and financial econometrics.

Recent Conferences

49th Scientific meeting of the Italian Statistical Society, University of Palermo, June 20, 2018 – June 22, 2018

ETSG 2018 Warsaw Twentieth Annual Conference 13-15 September 2018 Warsaw School of Economics (SGH)

29th (EC)^2 Conference December 13-14, 2018 in Rome (Italy).

Recent Publications

• “Sistemi di indicatori per la misura dell’efficienza della formazione universitaria”, with G. Ferrari and T. Laureti, Comitato Nazionale per la Valutazione del Sistema Universitario, Roma, (2010)
• “Heterogeneity in Managerial Strategies and Internationalization of Firms: the Case of Italy” with G. Giovannetti and G. Ricchiuti, Economia e Politica Industriale, (2013).
• “Italian Service Firms’ Labor Productivity: A Longitudinal Quantile Regression Analysis”, with A. Viviani e A. Zeli, Statistica, pp. 20-42, (2014)
• “Italy and Germany as diverse twins: the impact of China on their manufacturing exports”, with G. Giovannetti and M. Sanfilippo, 50(28), pp.3051-3065, (February 2018)
• “Gender Wage Gap: a Survival Multilevel Model on EU Textiles Companies, with G. Giovannetti, under review in Small Business Economics Journal