

SYLLABUS

TITLE:	Economic Analysis
CODE:	ECO 201
PREREQUISITE:	N/A
CREDITS:	3 credits 45 contact hours 1 term

DESCRIPTION

This course provides an understanding of the steps of an economic and market feasibility study essential for business management and development. It provides valuable tools for economic analysis for both entrepreneurship and decision-making. From the macroeconomic to the microeconomic perspective, essential concepts are addressed, such as business cycles, economic organization, the law of supply and demand, elastic behavior of demand, cost and income analysis, and the structure of markets, from pure competition to imperfect markets, such as monopoly, oligopoly, and monopolistic competition. This comprehensive perspective equips students with a solid analytical foundation to address economic and business challenges. In addition, the course incorporates the study and practice of the economic analysis of projects and their feasibility, a fundamental aspect to understand how economic decisions affect the allocation of resources in various contexts, evaluating the profitability and sustainability of specific initiatives.

JUSTIFICATION

The lives of human beings encompass a crucial economic dimension: the satisfaction of their needs and desires through the management of resources that, by their very nature, are limited and have multiple uses. Therefore, the purpose of this course is to provide an economic analytical framework that complements other business disciplines, such as production management, management, accounting, finance, and marketing. The course provides an opportunity to understand how production levels and prices are determined in a market economic system, as well as the development of economic strategies. In the same way, to enrich the student training in practical and business-relevant skills, the application of tools for the development of feasibility and market studies is incorporated, allowing the

practical exploration of the application of microeconomic concepts in real business situations. In addition, the course allows students to develop analytical skills when evaluating the main macroeconomic policies, making critical judgments about these policies, and contributing to the solution of the economic challenges that impact business activity.

COMPETENCES

The course develops the following competences in students:

- **Critical questioning**
- **Research and exploration**

OBJECTIVES

After completion of the course, students will be able to:

1. Know the importance of identifying the determinants of supply and demand in the analysis of the viability of projects.
2. Define the concepts of profit maximization and cost minimization.
3. Describe the characteristics and differences of different market structures.
4. Understand the importance and describe the objectives of fiscal and monetary policy and their implementation.
5. Apply tools related to pricing, demand estimation, and break-even point.
6. Recognize the concepts and steps involved in the preparation of a feasibility and market study.

CONTENTS

- I. Introduction To the Topic of Project Feasibility Analysis in The Context of Economic Decision-Making
 - A. The principle of scarcity and economic efficiency
 - B. The opportunity cost principle in decision-making
 - C. Interpretation of the concept of feasibility and its economic measurement
- II. Contributions From Macroeconomics to Identify Determinants That Can Impact the Economy, The Market, And the Viability of Projects (Public or Private)
 - A. Business cycles and their fluctuations
 1. Phases of business cycles
 2. Unemployment and inflation: cause and types
 3. Economic and social implications

4. Implications for the viability of projects
- B. Economic policies and stabilization measures to address the crisis
 1. Fiscal policy
 - a. Fiscal policy tools
 2. Monetary policy
 - a. Federal reserve system
 - b. Monetary policy tools
 3. Macroeconomic stabilization
 4. Impact of economic policies on business decisions
- III. Contributions Of Microeconomics to The Market and The Economy
 - A. Supply and demand
 1. Law of demand and law of supply
 2. Determinants and their impact on the viability of projects
 3. Break-even point
 - B. Price elasticities
 - C. Costs, revenue, profits
 1. Producer theory and cost theory
 2. Profit maximization
 - D. Market structures
 1. Perfect competition
 2. Imperfect competition
 - a. Monopolistic competition
 - b. Monopoly
 - c. Oligopoly
 - d. Other structures of imperfect competition
 3. Porter's 5 forces and the identification of competitive strategies
 - E. Price discrimination
 - F. Contribution of microeconomic analysis to feasibility studies
- IV. Application Of Economic Concepts in The Analysis and Management of Organizations
 - A. Market research
 - B. Methodology for the preparation of feasibility studies
 - C. Criteria for the evaluation of projects and their cost-effectiveness

METHODOLOGY

The following strategies from the active learning methodology are recommended:

- Flipped classroom
- Walk through the gallery
- Conferences
- Discussion of books or articles
- Information search exercises
- Collaborative or group work
- Written reports
- Exploration and research work
- Reflections
- Portfolio
- Classroom visits
- Phenomenon-based learning
- Use of technologies in data compilation, analysis, and visualization
- Complementary certifications in economic analysis
- Simulations

EVALUATION

Participation	40%
Partial assignments	30%
Presentation	20%
Compositions	10%
Total	<hr/> 100%

LEARNING ASSESSMENT

The institutional assessment rubric is applied to the course's core activity.

BIBLIOGRAPHY

Al-Muharrami, S. (2019). *Economic Feasibility Study: Preparation and Analysis*. Sultan Qaboos University.

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Preparation and Analysis

- Cabrera, A., Lluch, E., & Pedrajas, M. (2007). *Principios de economía*. Ediciones SM.
- Case, K. E., Fair, R. C. (2019). *Principles of Microeconomics* (13th ed.). Prentice Hall.
- Collins, S. M., Bosworth, B., & Soto-Class, M. A. (Eds.) (2006). *Restoring Growth in Puerto Rico*. Brookings Institution and the Center for the New Economy.
- Homburg, C., Klarmann, M., & Vomberg, A. (Eds.). (2022). *Handbook of Market Research*. Springer.
- Irizarry, E. (2011). *Economía de Puerto Rico: Evolución de Puerto Rico* (2nd ed.). McGraw-Hill.
- Junta de Planificación de Puerto Rico (n.d.). *Apéndice estadístico del informe económico al Gobernador y a la Asamblea Legislativa*. <http://jp.gobierno.pr/>
- Mankiw, N.G. (2023). *Essentials of Economics* (10th ed.). South-Western College Pub.
- McConnell, C. R., Brue, S. L., & Flynn, S. M. (2023). *Economics: Principles, Problems and Policies* (22nd ed.). Irwin/ McGraw-Hill.
- Samuelson, P. A., Nordhaus, W. D. (2021). *Economics* (20th ed.). McGraw-Hill.
- Schiller, B. R., Gebhardt, K. (2022). *Essentials of Economics* (12th ed.). McGraw-Hill.
- The Art of Service. (2020). *Feasibility Studies: A Complete Guide*. Feasibility Studies Publishing

ELECTRONIC RESOURCES

- Caribbean Community (CARICOM)
- Comisión Económica para América Latina y el Caribe

- Departamento del Trabajo y Recursos Humanos de Puerto Rico
- Federal Reserve Bank of New York
- Instituto de Estadísticas de Puerto Rico
- Inter-American Development Bank
- International Monetary Fund
- Junta de Planificación de Puerto Rico
- Sin comillas
- The Economist
- Union of International Associations
- United Nations Conference on Trade and Development (UNCTAD)
- United Nations Economic Commission for Europe (UNECE)
- United Nations Economic Commission for Latin America and the Caribbean (UNECLAC)
- United Nations Educational, Scientific and Cultural Organization (UNESCO)
- United Nations Industrial Development Organization (UNIDO)
- United Nations Research for Social Development
- United Nations Statistics Division (UNSD)
- US Bureau of Economic Analysis
- US Bureau of Labor Statistics
- US Census Bureau
- World Bank
- World Bank (WB)
- World Economic Forum
- World Tourism Organization (UNWTO)
- World Trade Organization (WTO)

For more information resources related to the course's topics, access the library's webpage <http://biblioteca.sagrado.edu/>

REASONABLE ACCOMMODATION

For detailed information on the process and required documentation you should visit the corresponding office. To ensure equal conditions, in compliance with the ADA Act (1990) and the Rehabilitation Act (1973), as amended, any student in need of reasonable

accommodation or special assistance must complete the process established by the Vice Presidency for Academic Affairs.

ACADEMIC INTEGRITY

This policy applies to all students enrolled at Universidad del Sagrado Corazón to take courses with or without academic credit. A lack of academic integrity is any act or omission that does not demonstrate the honesty, transparency, and responsibility that should characterize all academic activity. Any student who fails to comply with the Honesty, Fraud, and Plagiarism Policy is exposed to the following sanctions: receive a grade of zero in the evaluation and / or repetition of the assignment in the seminar, a grade of F (*) in the seminar, suspension, or expulsion as established in the Academic Integrity Policy effective in November 2022.

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