

Economics 209 (L01) (Engineering Economics)

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Lecture Location: Online and ENC 70
Lecture Days/Time: MW 17:00 – 18:15

Office: SS 350
Office Hours: **M: 15:00-16:00, T: 14:00-15:00**
F: 12:30-1:30 via Zoom
or by appointment

Fall 2023

Course Description:

This course includes the basic tools and methodology of engineering economic studies. Topics include basic economic concepts, investment decisions, theory of replacement, project evaluation with taxes and depreciation, social decision making and government projects. Examples are drawn from the textbook and various engineering projects.

Course Learning Outcomes:

The objective of this course is to introduce the engineering student to the discipline of economics and its importance in the field of engineering. The first part of the course looks at the broad definition of economics and an overall view of Canada's economy in comparison to other economic systems. In particular, we look at the important macroeconomic issues such as GDP, inflation and the importance of investment spending and the banking system. Since the interest rate is the firm's financial cost of capital, we explore the role of the Bank of Canada and its relationship with other financial institutions in determining short-term interest rates.

The second (and most comprehensive) part of the course examines the time value of money and how engineers use the time value of money to make important economic decisions. In this section, we examine how interest rates and different compounding periods influence the future value of various capital investments. Future value and present value of annuities, bonds and mortgages are also explored. Once we get a solid foundation in this area, we then use these tools to determine the net present value, internal rate of return and payback period of various investment options, which includes depreciation and taxes. Replacement analysis of equipment is also examined.

Course Outline:

Date	Location*	Topic
Introduction		
Wednesday, Sept. 6	In-Class	Intro, Chpt. 1
Section 1 - Basic Concepts of Macro Economics		
Monday, Sept. 11	Online	Supply and Demand Chpt. 3 (Hubbard)
Wednesday, Sept. 13	In-Class	Supply and Demand Problems
Monday, Sept. 18	Online	Gross Domestic Product (GDP) Chpt. 4 (Hubbard), Unemployment and Inflation Chpt. 5 (Hubbard)
Wednesday, Sept. 20	In-Class	GDP, Inflation Problems
Monday, Sept. 25	Online	Money and Banking Part 1 Lecture Chpt. 11 (Hubbard)
Wednesday, Sept. 27	In-Class	Quiz 1 Money and Banking Problems
Monday, Oct., 2	Online	Time Value of Money Part 1 Lecture and Problems Chpt. 3 (Newnan)
Wednesday, Oct. 4	In-Class	TVM Part 1 Lecture and Problems
Section 2 - Time Value of Money		
Monday, Oct. 6	NO CLASS	Thanksgiving Holiday
Wednesday, Oct. 11	In-Class	Quiz 2 Time Value of Money Part 2 Chpt. 4 (Newnan)
Monday, Oct. 16	Online	Time Value of Money Part 2 Cont'd Chpt. 4 (Newnan)
Wednesday, Oct. 18	In-Class	TVM Part 2 Problems
Monday, Oct. 23	Online	Interest Rate Conversion and Mortgages Chpt. 4, 6 (Newnan), and Supplements
Wednesday, Oct. 25	In-Class	Midterm Exam
Section 3 - Project Analysis		
Monday, Oct. 30	Online	Project Analysis Methods Chpt. 5, 7, 8 (Newnan)
Wednesday, Nov. 1	In-Class	Project Analysis Problems
Monday, Nov. 6	Online	Catch-up and extra problems
Wednesday, Nov. 8	In-Class	Quiz 3
Monday, Nov. 13	NO CLASS	Term Break
Wednesday, Nov. 15	NO CLASS	Term Break
Monday, Nov. 20	Online	Income, Depreciation, and Cash Flows Chpt. 11 (Newnan)
Wednesday, Nov. 22	In-Class	Dep. and CF problems
Monday, Nov. 27	Online	Replacement Analysis Chpt. 13 (Newnan)
Wednesday, Nov. 29	In-Class	Replacement Analysis Problems
Monday, Dec. 4	Online	Exam Information and Review
Wednesday, Dec. 6	In-Class	Quiz 4 Exam Review

*Monday's online lectures will be presented as an asynchronous video posted to D2L. Wednesday's lectures/quizzes/midterm will be held in-class.

Prerequisites/Corequisites:

Students must be in the Faculty of Engineering with second year standing or higher. If not registered in the Schulich School of Engineering, consent of the Department of Economics is needed. If required for APEGA, consent must be obtained by the Schulich Undergraduate Studies Office.

Required Textbook(s):

Newnan et al., Engineering Economic Analysis, Oxford, 4th Canadian Edition.

Recommended Textbook(s):

(You do not need to purchase this textbook) Hubbard et al. Macroeconomics. Second Canadian Edition. Toronto: Pearson

Required Access to Technology: Video recordings will be provided through the D2L web portal. This will require Internet access with the capability of rendering PDF files and Yuja video files.

Blended Course Structure:

Online lectures will focus on theory and will be asynchronous. Relevant lecture videos will be posted prior to the scheduled "online" lecture. The following in-person class will focus on working through problems together. Students are strongly encouraged to watch the video prior to in-class lectures and compile a list of questions to ask in-class.

Desire2Learn:

This course will make use of the Desire2Learn (D2L) platform. Students who are registered in the course can log on at <http://d2l.ucalgary.ca> through their student centre. Please note that D2L features a class e-mail list that may be used to distribute course-related information. These e-mails go to your University of Calgary e-mail addresses only.

Tutorials:

Students are expected to attend the weekly tutorial section to which they have been assigned. During the tutorials, the TA will discuss pre-assigned questions and additional material relevant to the course that is not covered in lectures.

Grade Determination:

Quizzes (5% x 4)	20%
Midterm	30%
Final Exam	<u>50%</u>
	100%

Examination Details:

Quizzes and exams **WILL** involve multiple choice questions.

Cellphones, textbooks, course notes, and other electronic devices will not be allowed during the writing of tests or final examinations. Students are reminded that simply being able to access their cellphone during an exam is academic misconduct.

The midterm exam will be held in-class on Oct. 25, 2023, during regularly scheduled class time. Quizzes and exams will be held in-person only. No online option for these assessments is available.

Grading Policies:

The official grading system will be used. See <http://www.ucalgary.ca/pubs/calendar/current/f-1-1.html>.

Students must receive a passing grade on the final exam to pass the course. Students committing academic misconduct during the final exam will not receive a passing grade for the course.

If a student's letter grade on the final exam exceeds their midterm letter grade, the weight of the midterm is transferred to the final exam. The student must have written the midterm or provided supporting documentation for the absence.

As per the Writing Across the Curriculum Statement in the Calendar, writing and grading thereof will be a factor in the evaluation of student work. See <https://www.ucalgary.ca/pubs/calendar/current/e-2.html>.

THERE WILL BE NO MAKEUP OR DEFERRED QUIZZES/TESTS/EXAMS under any circumstances, nor may the quizzes/tests/exams be written early. Students unable to write the quizzes/tests/exams because of documented illness, family emergency, religious observance, or university-sanctioned event will have the weight shifted to the final examination; otherwise a grade of zero will be assigned.

The final examination will be comprehensive, scheduled by the Registrar, held in a classroom, and last 2 hours. If a student cannot write their final exam on the date assigned by the Registrar's Office, they need to apply for a deferred exam <https://www.ucalgary.ca/pubs/calendar/current/g-3-4.html>. Under no circumstance will this be accommodated by the Department.

Any student work which remains undistributed after the last day of classes will be available to students through the instructor's office during the instructor's office hours.

Reappraisal of Grades:

For Reappraisal of Graded Term Work, see Calendar I.2

<http://www.ucalgary.ca/pubs/calendar/current/i-2.html>

For Reappraisal of Final Grade, see Calendar I.3

<http://www.ucalgary.ca/pubs/calendar/current/i-3.html>

Academic Misconduct and Intellectual Honesty:

Academic Misconduct refers to student behavior that compromises proper assessment of students' academic activities and includes: cheating; fabrication; falsification; plagiarism; unauthorized assistance; failure to comply with an instructor's expectations regarding conduct required of students completing academic assessments in their courses; and failure to comply with exam regulations applied by the Registrar.

Statement of Intellectual Honesty, see Calendar K.3

<https://www.ucalgary.ca/pubs/calendar/current/k-3.html>

Plagiarism and Other Academic Misconduct

<https://ucalgary.ca/student-services/student-success/learning/academic-integrity>

Academic Accommodations:

Students seeking an accommodation based on disability or medical concerns should contact Student Accessibility Services. SAS will process the request and issue letters of accommodation to instructors. Students who require an accommodation in relation to their coursework based on a protected ground other than disability should communicate this need in writing to their instructor. The full policy on Student Accommodations is available at

<https://www.ucalgary.ca/legalservices/sites/default/files/teams/1/Policies-Accommodation-for-Students-with-Disabilities-Procedure.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Student-Accommodation-Policy.pdf>.

Freedom of Information and Protection of Privacy (FOIP) Act:

Personal information is collected in accordance with FOIP. Assignments can only be returned to the student and will be accessible only to authorized faculty and staff. For more information, see

<https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-faculty-members.pdf> and <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/faq-privacy-students.pdf>

Internet and Electronic Communication Device Information:

The use of cell phones for any purpose in class is prohibited. Computers and tablets may be used for note taking only unless otherwise authorized by the instructor.

Copyright Legislation:

See the University of Calgary policy on Acceptable Use of Material Protected by Copyright at <https://www.ucalgary.ca/legal-services/sites/default/files/teams/1/Policies-Acceptable-Use-of-Material-Protected-by-Copyright-Policy.pdf>. Students who use material protected by copyright in violation of this policy may be disciplined under the Non-Academic Misconduct Policy.

Recording of Lectures:

Recording of lectures is prohibited, except for audio recordings authorized as an accommodation by SAS or an audio recording for individual private study and only with the written permission of the instructor. Any unauthorized electronic or mechanical recording of lectures, their transcription, copying, or distribution, constitutes academic misconduct. See <https://www.ucalgary.ca/pubs/calendar/current/e-6.html>.

Instructor Intellectual Property:

Course materials created by instructors (including presentations and posted notes, labs, case studies, assignments and exams) remain the intellectual property of the instructor. These materials may NOT be reproduced, redistributed or copied without the explicit consent of the instructor. The posting of course materials to third party websites such as note-sharing sites without permission is prohibited. Sharing of extracts of these course materials with other students enrolled in the course at the same time may be allowed under fair dealing.

Important Dates:

Please check: <http://www.ucalgary.ca/pubs/calendar/current/academic-schedule.html>.

Student Organizations:

Faculty of Arts Students' Association (F.A.S.A.):
Economics Department Representative

Office: SS 803, E-mail: econrep@fasaucalgary.ca and Web: www.fasaucalgary.ca.

Society of Undergraduates in Economics: <https://www.ucalgarysue.com/>.

Society of Undergraduates in Economics is a student run organization whose main purpose is to assist undergraduate economics students to succeed both academically and socially at the University of Calgary. Services include access to the exam bank, career events such as Industry Night and information sessions, mentorship programs, and social events for members. They invite you to join by contacting SUE at sue@ucalgarysue.com

Faculty of Arts Program Advising and Student Information Resources:

- Have a question, but not sure where to start? The Arts Students' Centre is your information resource for everything in Arts! Drop in at SS102, call them at 403-220-3580, or email them at artsads@ucalgary.ca. You can also visit the Faculty of Arts website at <http://arts.ucalgary.ca/undergraduate>, which has detailed information on common academic concerns, including program planning and advice.
- For registration (add/drop/swap), paying fees and assistance with your Student Centre, contact Enrolment Services at 403-210-ROCK [7625] or visit them in the MacKimmie Tower.

Student Support and Resources:

- See <https://www.ucalgary.ca/registrar/registration/course-outlines> for information on campus mental health resources, the Student Ombuds Office, Student Success Centre, Safewalk, and Emergency Evacuation and Assembly.
- Online writing resources are available at <https://ucalgary.ca/student-services/student-success/writing-support>.

Notes:

1. Students are responsible for all assigned material, e.g., supplementary material posted on D2L, regardless of whether or not the material was covered in class.
2. Please note that the following types of emails will receive no response: Emails which do not list the relevant course; emails which are not signed with student's full name and UCID; and emails involving questions that are specifically addressed on the course outline, lecture slides, or posted on D2L.
3. I teach hundreds of students every semester. I simply cannot answer questions regarding how to solve course material via email. If you have questions about how to solve a particular problem or are having difficulty with a topic, please post your question to the D2L discussion forum, ask during an in-class lecture or tutorial, or come see me or your TA during our office hours.

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2023-08-09