

Course Information and Syllabus:

Economics 50, Principles of Economic Analysis, Spring 2014

Tue/Th 12:00-1:10PM, Bauer Center 34

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Textbook and Website Reading Material

The textbook for this class is Greg Mankiw's *Essentials of Economic Analysis*, sixth edition. We'll also occasionally refer to Daniel Hamermesh's *Economics is Everywhere*, fourth edition. Both texts should be available at Huntley Bookstore as well as online at sites like amazon.com. In addition to these two books, the reading material includes a few brief articles from the popular press and other sources which will be posted on Sakai. I will also post assignments, lecture notes, and other materials to this site throughout the semester.

Course Material

This course provides an introduction to economic analysis together with its applications and implications. We will survey both microeconomics and macroeconomics. Microeconomics deals with decision making by individual units, and in this part of the class we will focus on the economic decisions of individuals and firms, the determination of prices and quantities of individual goods, wages, and international trade. The impact of government policies such as taxes, subsidies, regulation, and income redistribution will also be considered. Macroeconomics deals with economic aggregates. The topics covered are long-term economic growth, the labor market, and economic policymaking. Growth theory explores how the main economic aggregates—output, unemployment, inflation, and interest rates—behave on average over long periods of time. Once we understand how the macroeconomy operates, we discuss the macroeconomic effects of fiscal policy—taxation, government spending, budget deficits and surpluses—and monetary policy—changes in interest rates by the Federal Reserve. Throughout, we will look at as many real-world examples as possible.

Class Tutor

The tutor for this class is Karan Saggi, and he will have regular tutoring hours on Mondays from 8-10pm in Bauer 25. Karan can be reached by email at ksaggi14@cmc.edu.

Assignments, Exams, and Grading

There will be four assignments in this class and the due dates for these assignments are noted on the course schedule below. I'll post the assignments to Sakai approximately two weeks before they are due. It is okay to discuss and collaborate on these, but each person must hand in his or her own copy of the completed assignments. **No late assignments will be accepted.** There will be two midterm exams and one comprehensive final exam in this class. All exams will be closed-book and closed-notes. **There are no make-up exams.** There will also be four in-class quizzes, each lasting roughly 25-30 minutes. Finally, there will be a series of brief reading assignments whose completion will count as the bulk of the class participation grade.

The final grade for this class will be based on the assignments and exams using the following weighting scheme:

- 5% Participation
- 15% Assignments
- 15% Quizzes
- 17.5% Midterm 1
- 17.5% Midterm 2
- 30% Final exam

Disability

If you have any problems with the terms of this syllabus due to a disability you must notify me within the first two weeks of the semester. Note that if you require alternative arrangements for the exams I must be contacted by the Dean of Students, but it is also your responsibility to coordinate with me about the time and place of your exam at least two weeks before that exam.

Preliminary Course Schedule

January 21: Introduction

January 23: Economics, Scarcity, and Choice
(Mankiw Ch. 1, Hamermesh Ch. 1)

January 28: Comparative Advantage and Trade
(Mankiw Ch. 3, Hamermesh Ch. 20)

January 30: Supply, Demand, and Surplus
(Mankiw Ch. 4, 7, Hamermesh Ch. 2)

February 4: Supply and Demand Together
(Mankiw Ch. 4, Hamermesh Ch. 3)

February 6: Elasticity, **Quiz 1**
(Mankiw Ch. 5, Hamermesh Ch. 5)

February 11: Applications of Elasticity
(Mankiw Ch. 5)

February 13: Supply, Demand, and the Government
(Mankiw Ch. 6, Hamermesh Ch. 4)

February 18: Efficient Markets, **Assignment 1 due in class**
(Mankiw Ch. 7)

February 20: Market Efficiency and the Effect of Taxes
(Mankiw Ch. 8)

February 25: Externalities
(Mankiw Ch. 10, Hamermesh Ch. 18—only the part on externalities)

February 27: Public and Private Solutions to Externalities, **Quiz 2**
(Mankiw Ch. 10)

March 4: Review

March 6: **Midterm 1**

March 11: Firms and the Cost of Production
(Mankiw Ch. 12, Hamermesh Ch. 7)

March 13: Firms, Production Costs, and Competitive Markets
(Mankiw Ch. 12, Hamermesh Ch. 8-9)

March 18: No Class, Spring Break

March 20: No Class, Spring Break

March 25: The Behavior of Firms in Competitive Markets

(Mankiw Ch. 13, Hamermesh Ch. 10)

March 27: Monopoly and Firm Behavior, **Assignment 2 due in class**

(Mankiw Ch. 14, Hamermesh Ch. 12)

April 1: More Monopoly, **Quiz 3**

(Mankiw Ch. 14, Hamermesh Ch. 13)

April 3: Introduction to Macro: Measuring the Economy

(Mankiw Ch. 15, *Measuring What Matters, The Joyless or the Jobless*)

April 8: Measuring the Cost of Living

(Mankiw Ch. 16)

April 10: Review, **Assignment 3 due in class**

April 15: **Midterm 2**

April 17: Economic Growth and Productivity

(Mankiw Ch. 17)

April 22: Long-Run Economic Growth

(Mankiw Ch. 17, *Eureka Moments*)

April 24: Saving and Investment

(Mankiw Ch. 18)

April 29: Unemployment and Wages, **Quiz 4**

(Mankiw Ch. 20)

May 1: Unemployment and Public Policy

(Mankiw Ch. 20, *Long Time Gone, Robocolleague*)

May 6: Review, **Assignment 4 due in class**

Common Final Exam: Sunday, May 11, 7-10pm, Davidson Auditorium

This schedule is preliminary and is subject to change during the semester as needed.