

Modern Economics

Fall 2019

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Office Hours: MTF Mods 2, 4, 6 and by appointment

About the Course:

This course provides an accelerated introduction to microeconomic and macroeconomic theory and applications. Traditionally, introductory economics courses at the college level have been broken in to two semesters, one focused on each of the above. In many colleges, this distinction is changing. This is particularly true for introductory courses that are geared at non-majors where a single semester survey is becoming more common. Moreover, the field of behavioral economics is becoming increasingly important in our understanding of the world around us.

We will thus need to move relatively quickly through the material. The course is designed for students who possess strong analytical skills. We will make use of graphs, algebra, and mathematical reasoning. The course is *not* structured an AP preparatory course but rather as a survey class focusing more broadly on the important economic concepts with which students ought to be familiar. Economics is a field that is central to students' everyday lives regardless of what they choose to do in college and beyond. Given that students at the high school and college levels come to introductory economics courses with very little background in the field, we will focus on concepts, theories and practical applications rather than calculations. As time permits, we will also delve into topics including game theory, international political economy and behavioral economics.

**Note: Given the need to move through a large amount of material in a short amount of time along with the nature of the material itself, this course will mainly be presented in lecture format.*

Course Objectives:

- To understand the basic assumptions of economic theory
- To master the fundamentals of macro- and micro- economics
- To examine the role that economics plays in social and political life
- To apply economic thinking to one's own analysis of the world around them
- To explore new directions and approaches in economic research

Text and Readings:

Readings will come from the following

Economics: 4th ed. by Joseph Stiglitz and Carl Walsh

Economics: 3rd ed. By Paul Krugman and Robin Wells

The Undercover Economist and *The Undercover Economist Strikes Back* by Tim Harford

Naked Economics by Charles Wheelan

Misbehaving by Richard Thaler

Freakonomics, *Super Freakonomics* and *When to Rob a Bank* by Stephen Levitt and Stephen Dubner

- Chapters from these texts will be distributed via pdf as needed throughout the semester.
- I will also suggest various readings from contemporary media, including news papers/sites and podcasts.

Components of the Grade:

Weekly Participation – 20%

- Students are expected to complete any and all readings assigned for class and contribute to class discussions. Student comments need to demonstrate thoughtful consideration of core ideas in the assigned texts.

Quizzes – 10%

- Quizzes will be given occasionally throughout the semester to hold students accountable for reviewing content on a regular basis.

Study Problems – 20%

- Periodically study questions will be assigned for students to work on their mastery of economic concepts. These will be graded coarsely as they are intended to be a forum for students to sharpen their skills in preparation for exams.

Exams (3 @ approximately 16.6% each) 50%

- Exams will be equally spaced throughout the semester and equally weighted.

Assignment Policies:

Late assignments will lose one full letter grade for each day they are late. There are no make-up quizzes for unexcused absences. Excused absences will be dealt with on a case by case basis.

Additional Expectations:

Classroom Behavior

Above all, I expect you to respect your classmates. Social Science courses offer the opportunity for students to express a wide variety of opinions, but an open mind and respect are necessary for us to learn from one another. Part of learning the social sciences, however, is understanding that opinions must be backed up with evidence. As such, I expect all debates to be of the scholarly variety. Finally, I expect this professionalism to extend beyond the classroom, be it office hours, e-mail correspondence or any other interaction you might have with me or your classmates. I also understand that technology and devices are a part of the learning process. That said, it is easy to become distracted when devices are in front of us. I expect students at IMSA to employ proper judgement when it comes to the use of devices in classrooms. Phones used improperly during class will be taken and handed over to Student Life. Improper computer usage will result in a decrease in one's participation grade and/or dismissal from class accompanied by an unexcused absence.

Academic Integrity

Any written work you turn in for this course should be your own. Booth, Colomb, and Williams in their book *The Craft of Research*, 2d ed. (Chicago: University of Chicago Press, 2003) state:

"You plagiarize when, intentionally or not, you use someone else's words or ideas but fail to credit that person. . . . You plagiarize even when you do credit the source but use its exact words without using quotation marks or block indentation. . . . You [also] plagiarize when you paraphrase a source so closely that anyone putting your work next to it would see that you could not have written what you did without the source at your elbow."

Claiming as your own the work of others, in whole *or in part*, will result in an immediate failure (here no credit) for the assignment and referral to Student Affairs for disciplinary action. See the IMSA Student Handbook for specific details. Such activity can result in being dismissed from IMSA, so if you are in doubt, come see me.

Course Outline

Below you will find the ***tentative outline*** of topics for the semester. Be aware that these topics and dates are ***subject to change***. This is especially important since we will take this course at your pace (i.e. if we need to spend more time on certain topics, we will). As such, consult Moodle, your e-mail and/or in class announcements for up to date changes.

AGAIN: Readings will be announced in class and posted online.

Week 1

- Introduction to Modern Economics and Thinking Like an Economist

Week 2

- Supply, Demand and Price
 - Elasticities, efficiency and maximization

Week 3

- Understanding Firms and Consumption

Week 4

- Markets and Competition
 - Monopolies, Oligopolies

Week 5

- Externalities, Public Goods and the Role of Government
- Intro to Macroeconomics

Week 6

- Economic Output and Unemployment
 - GDP

Week 7

- Cost of Living and Inflation

Week 8

- Full-employment Model and Government Finance

Week 9

- Money, Interest Rates and the Federal Reserve
 - Central Banks and Exchange Rates

Week 10

- Aggregate Demand and Inflation

Week 11

- Fiscal Policy

- Taxes and Spending

Week 12

- Intro to International Political Economy
 - Trade and Finance

Week 13

- Trade and Finance continued

Week 14-16

- **TBD...** Hopefully a dive into Behavioral Economics but left open intentionally to accommodate the potential need to move more slowly through the semester
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