

**Economics 111-02
Introduction to Economics
ARH 102
Fall 2007**

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Course Description

This is an introduction to the concepts and tools of economic analysis, with applications to economic policy. It introduces both microeconomics (the study of individual agents and markets) and macroeconomics (the study of overall economic activity) such as unemployment, interest rates, and inflation.

Grading

5 quizzes @ 6	30%
2 mid-term exams @ 20	40%
Comprehensive final	30%
Total	100%

I will guarantee grades of 90% = A, 80% = B, 70% = C, 60% = D. I may curve the grades, but the grades will not be more stringent than this scale. If I curve the grades, I also will provide an advisory distribution after each quiz or exam, to let you know approximately where you stand at that point.

On written questions, your grade will be influenced by how well you write your answer. This includes grammar, punctuation, spelling, organization, and clarity. Improving writing skills is important at all stages of your education, and beyond. The Grinnell Writing Lab is an outstanding resource. I urge you to take a sample of your writing (one page is enough) to the lab early in the semester. Ask them to evaluate it and request their advice on what you should do to further develop your writing.

Quiz and Exam Dates

Quiz 1, Monday 9/17	Quiz 3, Friday 11/2	Quiz 5, Friday 12/7
Quiz 2, Monday 10/1	Quiz 4, Friday, 11/9	Final, 9 AM, Friday 12/21
Exam 1, Friday, 10/12	Exam 2, Monday 11/19	

Scheduled Conflicts with Quiz and Exam Dates

If you are on a Grinnell sports team, other Grinnell entity, or have a religious holiday that requires you to be out of town on the day of a quiz or exam, I will schedule a time to give it to you earlier, but not later.

If you have such a scheduled conflict with Quiz 1 (9/17), you must give me the following information in written form by Friday, 9/7: 1) event, 2 location, 3 dates out of town.

If you have such a scheduled conflict with any quiz or exam after quiz 1, you must give me the conflict information in written form by Monday 9/24. If you anticipate such a conflict, but the dates are not yet available, please give me as much as you know now, in written form by Monday 9/24.

Documented, Unscheduled Absence on Quiz or Exam Days

If you miss a quiz or exam and provide a valid, documented excuse, I will account for the missing grade by counting the final correspondingly more.

Office Hours

I have office hours and appointment times during those hours posted by my office door, at 204 Carnegie. Appointment times are available at a variety of different times during the week. I request that you see me during these hours. All you need to do is write your name by the appointment day and time you want.

I am not available for questions before class, as I am preparing then. However, I am always available right after class for brief questions. You can also contact me by email, and I will generally respond within 24 hours, M-F.

Class Attendance

I will take roll at each class. At the end of the semester, if you are on the border line between two grades, class attendance and participation can influence your grade.

Material You are Responsible For

You are responsible for all material covered in class. If you are absent, be sure to get a set of notes from a classmate.

Taking Care of Yourself

You will not be able to “attend” either physically or mentally, if you feel sick. To some extent, this is beyond your control. However, you can shift the odds in your favor by taking care of yourself, with regard to sleep, nutrition, exercise, and time for recreation and restoration. I urge you to make this your first priority, despite all the other demands and distractions you will experience.

Preparation for Class

I expect you to read the assigned material before class. This will provide context and an introduction to the material that will make the material covered in class much easier to follow.

Responsibility for Practice Problems

The best way to learn economic analysis well is to work practice problems. I will give you practice problems frequently. They will not be handed in and graded, so I expect you to take responsibility for using them for frequent (preferably daily) practice. There will be a quiz or exam approximately every two weeks, by which you can measure your progress. Each quiz or exam will have at least one question similar to a practice problem.

Depth of Knowledge

This course is not about memorization. I expect you to understand the material well.

Recommendations for Study

In addition to reading assigned material before class, I recommend that after class you recopy your notes, the same day or within 24 hours, while it is still fresh in your mind. Then I recommend that you re-read the assigned material and study it carefully. Finally, work practice problems every day. This is important for learning the material well.

Textbook

Economics: Principles and Applications, 3rd edition, 2006 update, by Hall and Lieberman. An earlier edition will be similar. However, you will need to translate each reading assignment into the approximately corresponding chapters, sections, and pages, and they will not always match up exactly.

Current Affairs

I expect you to be familiar with current economic issues in the news. I will pass out a sign-up sheet if you would like to get a one-semester subscription to the Wall Street Journal, at a reduced, student rate. Sign-up will be available on Friday and Monday only. The Journal has excellent coverage of economic news as well as coverage of other news topics and some interesting feature stories.

Other good sources for keeping up with current affairs are, The New York Times (broader coverage of the U.S. and more international coverage), The Financial Times (published in London, primary focus on economic news and more detailed international coverage), or The Economist (also published in London, a weekly news magazine with excellent international coverage and particularly strong on economic analysis).

Reading Assignments

Reading assignments in the text will be given out in class.

Topic Coverage

(See next page.)

Topic Coverage

Microeconomics

Part A: Key Concepts

Chapter 1-2 Introduction to Economics

Part B: When Markets Work Well and Policy Implications

Chapter 3-4 Supply and Demand

Chapter 6 Production and Cost

Chapter 7 Profit Maximization

Chapter 8 Perfect Competition

Part C: When Markets May Fail and Policy Implications

Chapter 9 Monopoly

Chapter 10 Imperfect Competition

Chapter 14 Economic Efficiency

Chapter 14 Externalities

Chapter 14 Public Goods

Macroeconomics

Part A: Key Concepts

Chapter 16 Introduction to Macroeconomics

Chapter 17 Production, Income, and Employment

Chapter 18 Money, Prices, and Inflation

Part B: When the Macro-economy Works Well

Chapter 19 The Classical Long-Run Model

Part C: When the Macro-economy May Fail: Policy Implications

Chapter 23 Banking and the Money Supply

Chapter 25 Aggregate Supply and Aggregate Demand

Chapter 26 Inflation and Monetary Policy

Chapter 27 Fiscal Policy