

Economics 111-03
Introduction to Economics
Spring 2008, Revised 1/31/08

Instructor: Bill Kelly
Office: 204 Carnegie Hall
Phone: 269-4383
Email: Kellywa@grinnell.edu

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 Problem sets @2%	10%
4 Quizzes @ 5%	20%
2 Mid-term exams @ 20	40%
Comprehensive final	30%
Total	100%

I will grade on a curve that will be very roughly 1/3 A, 1/3 B, 1/3 C. I will provide an advisory grade distribution after each mid term exam.

Exam Dates, **Quiz Dates**, and Problem Set Due Dates. The five problem sets will be given out on Thursday and due at the beginning of class on the following Tuesday.

Problem set #1, Quiz 1 , Tuesday 2/12	Problems set #3, Quiz 3 , Tuesday 3/11	Problem set #5, 5/6
Problem set #2, Quiz 2 , Tuesday 2/26,	Problem set # 4, Quiz 4 , Tuesday 4/8	Final exam: 2 PM, Tue
Exam 1, Thursday 2/28	Exam 2, Tuesday 4/15	May 13

Scheduled Conflicts with 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 an exam, I will schedule a time to give it to you earlier but not later.

If you have such a scheduled conflict that you know about now, you must give me the following information in written form by Thursday January 31: 1) event, 2 location, 3 dates out of town. 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 Thursday January 31.

Documented, Unscheduled Absence on Exam Days

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

Problem Sets

Late problem sets are not accepted. However, you should check the answer key to see how you did.

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.

In-Class Behavior

I ask that you come to class on time. You should be seated, with your materials out and ready to go when class starts. At the end of class I ask that you not begin to gather your things before the class has ended. Coming in late and/or getting ready to leave early is a distraction and is disrespectful of your classmates and me.

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, but the answers will be available. I expect you to take responsibility for using them for frequent (preferably daily) practice.

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, 4th edition, 2008, 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 Tuesday and Thursday of the first week 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), and 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 (Our coverage of this material will be relatively brief.)

Chapter 14 Economic Efficiency and the Competitive Ideal

Chapter 15 Government's Role in Economic Efficiency

Macroeconomics

Part A: Key Concepts

Chapter 17 Introduction to Macroeconomics

Chapter 18 Production, Income, and Employment

Chapter 19 Money, Prices, and Inflation

Part B: When the Macro-economy Works Well

Chapter 20 The Classical Long-Run Model

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

Chapter 24 Banking and the Money Supply

Chapter 26 Aggregate Supply and Aggregate Demand

Chapter 27 Inflation and Monetary Policy

Chapter 28 Fiscal Policy

(Our coverage of Chapters 27 and 28 will be relatively brief.)