

Economics 200
Basic Economic Issues
Winter Session, 2010

<p><u>Instructor:</u> Chrystie Burr McClelland Hall #401 Email: chrystie@catmail.arizona.edu</p> <p><u>Office Hours:</u> Monday to Thursday 11:00 AM – 12:00 PM or by appointment</p> <p><u>Textbook:</u> Principles of Economics, 5th edition N. Gregory Mankiw (older editions are acceptable)</p>	<p><u>Class Location/Time:</u> Modern Language #210 MTWRF, 1:00 PM – 2:50 PM</p> <p><u>Prerequisites:</u> Two courses from Tier One, Individuals and Societies (INDV 101, 102, 103, 104)</p> <p><u>Note:</u> This class is not available to students who have completed or are enrolled in ECON 201A, ECON 201B, or ECON 210. There are no exceptions to this policy.</p>
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Course Objective:

This course offers a survey of the field of Economics. The goal is to give you a basic level of sophistication in economic matters with an emphasis on critical thinking and mathematical problem-solving skills. By the end of the course, I expect you to be able to a) apply economic analysis to evaluate everyday problems; b) apply economic analysis to evaluate specific policy proposals; c) solve problems that have clear solutions and to d) understand and evaluate current economic events and new economic ideas.

Attendance:

There are going to be only 13 lectures during this winter session which makes each class very condensed and intensive. Regular class attendance is essential for learning the material in this course especially I will focus on intuitive and verbal explanations of the underlying concepts during the lectures. Note that attendance *will be* taken as part of your final grade. You will be responsible for **all** material presented in class for the exam.

Grading:

There will be one midterm, one final, homeworks and quizzes associated with each lecture and in addition each student is required to submit a paper. Your final grade will be determined as follows:

Attendance	10%	Daily
Homework	15%	Daily
Quizzes	5%	Daily
Midterm	25%	Thurs, Dec 30
Final	25%	Tues, Jan 11
Written Paper	20%	Fri, Jan 7

Examinations:

Exams will be given during class hours on December 30 and January 11. You are expected to be present for each exam; there will be ***no makeup exams***. The final exam is not comprehensive.

Written Paper:

All students are required to submit a paper on a topic in economics. The written paper cannot be missed. For more details on the paper, see the Paper Requirements.

Homework Problems:

There will be 2 to 3 practice problems assigned every day associated with each lecture. The problems are meant to check your understanding of the lecture. You are encouraged to stop by my office hour in case you not clear with how to approach the problem. They are also meant to demonstrate the type of questions to be asked on the exams. Solutions to these problems will be handed out at the following lecture.

Quizzes:

The quizzes are given at the beginning of each class except on the exam days. The quiz question will be very similar to one of the homework questions in the previous day. They are also used to track your attendance. Therefore the attendance grade is depending on the number of quizzes that you take.

Special Accommodations:

Students with disabilities who wish to request special accommodations are encouraged to contact me to arrange an appointment as soon as possible.

Academic Dishonesty:

I place a high regard on academic honesty. This includes plagiarism which mean using someone's idea or words without proper citation. Any attempts to cheat or plagiarize will be taken seriously. The penalty is a failing grade in the course and a recommendation for expulsion from the University. Just don't do it.

Course Outline*:

This course is organized into two parts. The first 6 lectures focus on *microeconomics*, which is the analysis of the economic behavior of individuals and firms. Therefore microeconomics studies how individuals and firms interact in markets for buying and selling goods, in markets for working and hiring labor, and in markets for saving and investing financial capital.

Lecture Seven through Thirteen focus on *macroeconomics*, which is the analysis of the economic behavior of the whole economy (regional, national, global). If the microeconomic provides the bottom-up view of the economy then the macroeconomics provides the top-down view of the economy.

Lecture One

Unit 1: How Economists Think

Unit 2: Division of Labor

Unit 3: Supply and Demand

Lecture Two

Unit 4: Price Floor and Ceilings

Unit 5: Elasticity

Unit 6: The Labor Market and Wages

Lecture Three:

Unit 7: Financial Markets and Rate of Return

Unit 8: Personal Investing

Unit 9: From Perfect Competition to Monopoly

* The units are organized based on the T. Taylor's Economics lecture series published by The Teaching Company.

Lecture Four

- Unit 10: Antitrust and Competition Policy
- Unit 11: Regulation and Deregulation
- Unit 12: Negative Externalities and the Environment

Lecture Five

- Unit 13: Positive Externalities and Technology
- Unit 14: Public Goods
- Unit 15: Poverty and Welfare Program

Lecture Six

- Unit 16: Inequality
- Unit 17: Imperfect Information and Insurance
- Unit 18: Corporate and Political Governance

Lecture Seven

- Unit 19: Macroeconomics and GDP

Lecture Eight

- Unit 20: Economic Growth
- Unit 21: Unemployment
- Unit 22: Inflation

Lecture Nine

- Unit 23: The Balance of Trade
- Unit 24: Aggregate Supply and Aggregate Demand
- Unit 25: The Unemployment-Inflation Tradeoff

Lecture Ten

- Unit 26: Fiscal Policy and Budget Deficits
- Unit 27: Countercyclical Fiscal Policy
- Unit 28: Budget Deficits and National Saving

Lecture Eleven

- Unit 29: Money and Banking
- Unit 30: The Federal Reserve and Its Powers
- Unit 31: The Conduct of Monetary Policy

Lecture Twelve

- Unit 32: The Gains of International Trade
- Unit 33: The Debates over Protectionism
- Unit 34: Exchange Rates

Lecture Thirteen

- Unit 35: International Financial Crashes
- Unit 36: A Global Economic Perspective

Paper Requirements

Grading Criteria:

Your paper will be graded by the following 3 categories:

Technical (Includes page format, grammar, citation)	30%
Originality (Creativity, no excess quotes or plagiarism)	20%
Relevance (Analytical thinking, logic, economic tools)	50%

1. The total length of your paper must be 3-4 typewritten pages, 12 point, 1,25” margins, standard font and 1.5 line spacing. This page requirement is important since one of the objectives of this paper is to assist students in improving their writing skills.
2. The main objective of the paper is to motivate your interests and familiarize yourself with the topics in the field of economics. Try to apply the theories, tools and models that we covered in the class to analyze the issue that you identified.
3. You can find your topic which can be an interesting question or a debatable issue from personal experience, daily newspapers, Internet sources, Television news channels, popular books or among the list that I provide.
 - A) Newspapers like Financial Times, Wall Street Journal, Arizona Daily Star, New York Times, etc.
 - B) Magazines like The Economist, Barrons, Forbes, Business 2.0, etc.
 - C) Internet news sources such as Christian Science Monitor (www.csmonitor.com), BBC, CNN, Yahoo or FOX(!) news. News from John Steward show is acceptable too. You can be creative in selecting your source here.
 - D) Popular books such as Steve Levitt's *Freakonomics/SuperFreakonomics*, Tim Hartford's *The Undercover Economist*, Steve Landsburg's *The Armchair Economist* or Burton Malkiel's *A Random Walk Down Wall Street*, etc.
 - E) Common topics such as rent control, globalization, contributions of past Nobel Prize Economics winners, Decriminalization of marijuana usage, public health insurance, economic impact of global warming.
4. If you use an article from a printed publication or an online article, please attach a copy of the article with your submitted essay.
5. When quoting a source, please do so clearly and cite it in your bibliography. Using the correct citation format is difficult in the beginning, you can start by reading this guide: <http://www.lib.berkeley.edu/instruct/guides/citations.html>
Even if all you have used is the textbook- cite it. Plagiarism will not be tolerated.
6. How to approach your topic
 - i. Explain the issue and explain what is its economic relevance relating to what we've covered in the class. Do this in a detailed, exhaustive manner. The goal is to see how well you understand what economics is about and how well you can apply it. I won't know unless you show me.
 - ii. There is always more than one side to anything, so **explain each angle and evaluate them**. The ability to propose and evaluate alternative thought structures/theories to a particular problem is a critical skill in social sciences and in real life. You will need to access each theory and decide which is most useful for each situation. Therefore the “Relevance” grade will be given mainly to whether you approach your issue from different angle, how well you evaluate them in an indifferent manner and how rational, well-thought-out arguments you made when drawing the conclusion.
 - iii. I recommend you divide your paper into sections, e.g. Introduction – The Issues –

Analysis – Conclusion. This will help you organize your thoughts better. Of course, you can write and title your sections in any way you want.

- iv. Try to use diagrams wherever possible. Mark them clearly.
- v. The library and the Internet are your friends. Worthwhile outside research will definitely reflect in your grade on the paper.
- vi. Feel free to contact me with questions about your topic and how to tackle it. I will set up time with each student to talk about your research paper half way through the class.