**Economics 101 Prof. Stephen J. Schmidt**

**Introduction to Economics Spring 2017**

**Time: MWF 11:45-12:50 Lippman 016**

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and by appointment

**Course Objectives:**

The objective of this course is to introduce students to the principles of economics. Students will study the basic structure of the modern economy, and learn how economic models and economic thinking help us to understand and explain economic events. They will also learn how to apply economic analysis to a wide range of public policy issues dealing with economics. The course will cover both microeconomics (the economics of individuals and single markets) and macroeconomics (the economics of the national economy and international economics).

**Prerequisites:**

There are no prerequisites for Economics 101. We will make extensive use of graphs, and students should be familiar with graphs from high school. You should review the appendix to Chapter 2 to make sure you are prepared.

**Enrollment:**

Enrollment in Economics 101 is limited to 40 students. Students who registered prior to the beginning of the term have first priority for enrollment. Open spaces, if any, will be filled at the discretion of the professor.

**Course Requirements:**

There will be three midterm examinations and one final examination. They will be open book and open note. The final exam will be cumulative and it will be on Monday, June 5th. The midterms are tentatively scheduled for Wednesday, April 12th, Wednesday May 3rd, and Monday, May 22nd, in class. If the exam dates are changed (which is possible) I will announce the new dates at least one week in advance. There will also be six short in-class writing assignments. I will not allow makeups on these assignments, but will drop the lowest of your six grades. If you have to miss a class with an in-class writing, then that day’s quiz will be the one I drop from your grade. If you must miss two of these classes, let me know as soon as possible and we can discuss arrangements. Last, there will be online homework every class on the reading assignments, which will be due on Nexus the evening before class. The homework is graded on a check-no credit basis, with a check being given to everyone who made an honest effort to answer the questions correctly. The midterms will each count 15% of your grade, the writing assignments 20%, homework and class participation 10%, and the final exam 25%.

**Textbooks:**

*Economics*, Karlan and Morduch, 1st edition. There will be daily reading assignments from the textbook, and I will assume in class that you are familiar with the material in them. The online homework will draw directly from the reading assignments.**Application of the Honor Code**

I expect that all work done in this course will be strictly your own. You may not collaborate with other students on online homework, in-class writing, or exams. But you may discuss the assigned readings with one another as much as you wish, and will work together on in-class group discussions at times.

**Syllabus**

Note – I have not taught using this book before, and I am not certain how rapidly we will be able to move through the material. This syllabus assumes that we will move fairly quickly. We may not cover all of the chapters on this list.

1. Thinking Like an Economist  
   Chapter 1 – Economics and Life  
   Chapter 2 – Specialization and Exchange  
   Chapter 3 – Markets   
   Chapter 5 – Efficiency  
   Chapter 6 – Government Intervention
2. Microeconomics (Firms and Governments)  
   Chapter 12 – The Costs of Production  
   Chapter 13 – Perfect Competition  
   Chapter 14 – Monopoly   
   Chapter 17 – International Trade   
   Chapter 18 – Externalities   
   Chapter 19 – Public Goods and Common Resources  
   Chapter 20 –Taxation and the Public Budget  
   Chapter 21 – Poverty, Inequality, and Discrimination
3. Macroeconomics  
   Chapter 24 – Measuring the Wealth of Nations  
   Chapter 25 – The Cost of Living  
   Chapter 26 – Economic Growth  
   Chapter 27 – Unemployment and the Demand for Labor  
   Chapter 28 – Aggregate Demand and Aggregate Supply  
   Chapter 29 – Fiscal Policy
4. The Financial System  
   Chapter 30 – The Basics of Finance  
   Chapter 31 – Money and the Monetary System  
   Chapter 32 – Inflation  
   Chapter 33 – Financial Crisis  
   Chapter 34 – Open-Market Macroeconomics  
   Chapter 35 – Development Economics

**Some Tips For Studying Economics**

The most important thing you need to know about learning economics is that just coming to class and doing the reading will not be enough for you to learn the material and do well in the class. Economics is not just a set of facts to be memorized and repeated on a test, or a series of steps to go through to solve a problem. Economics is a way of thinking about society and the problems it faces, and finding solutions to those problems. In order to learn economics, you have to learn to think the same way that economists think about economic events and issues.

As you read the book, you should think about not only what it says, but why it says it. Ask yourself what logic the book uses to justify its conclusions. Do you agree with the logic or not? If there are problems with the reasoning, what are they, and how might we reason differently? Would we reach a different conclusion about the underlying question if we did so? One reason that I have selected this book is because it is unusually forthright about places where different approaches to an issue are possible and what the consequences of taking different approaches are. At these points, you should think about which approach makes the most sense to you and why. If you read the book actively, carefully evaluating what is said rather than just passively accepting it, then you will really learn what economics is about (and also do better on exams).

How do you do that? Here are some tips to make sure that you are actively engaged with the material:

* **Make sure you are putting the time in**. In weeks with no exams, you should be spending at least three hours doing the reading and homework for each hour we spend in class. The book is not doing you any good if you are not reading it and answering the questions it sets, so be sure you give it the attention it deserves.
* **Come to class with good questions to ask**. This means doing the reading assignments before I discuss the material in lecture, so that you know what you need clarified and what you want to have explained further, or even challenge. It also means reviewing your notes after each class and looking for things that weren’t clear to you. I will take any questions at any time in class as long as they are related to the material. Don’t be shy about putting your hand up and getting your voice into the discussion.
* **Do as many problems as you can**. Economics is sneaky – sometimes you will find that you think you understand a topic, but when you have to work problems you discover that you really don’t understand it as well as you thought. This book has many, many problems at the end of each chapter, and you should do as many of them as you can, in addition to the ones assigned for homework. (If you don’t know what to do for three hours outside of class, this is almost certainly the thing you’re not doing that you should be.) Each chapter has five types of questions. The first are margin questions that you should answer as you read along. The answers are at the end of the chapter – if you are not getting them right, then you have not understood what you have read. Others include review questions which are usually fairly open-ended, problems and exercises which have narrower questions and answers, questions from alternative perspectives which will let you explore the foundations of the chapter’s reasoning, and Web questions that will let you bring material from the Real World into your study of economics. Do as many of each type as you can before each class.
* **Study together**. The best way to get a handle on material you’re not familiar with is to talk through it. Unless you like talking to yourself, you will do this with other students in the class. If you know other people in your house, or your dorm, or other classes, or for any other reason, who are taking this class, set aside a regular time to get together and talk about the reading assignments, problems, and other required work. If you don’t know anyone in this class, but you would like a study partner, talk to me or send me an email, and I will put people in touch with one another.
* **Use the Economics Crisis Center**. There are tutors available in the Crisis Center to help you with any material that your study group hasn’t worked out. This term the Crisis Center will meet in Social Sciences 012, and it will be open Sunday, Wednesday, and Thursday nights from 7pm to 9:30pm. (This may change – if it does I will announce the changes in class.)
* **Come to my office hours when you have questions**. My office hours are there for one reason – so you can come to see me. If you don’t come, I sit there anyway, so I really would prefer that you come in and talk to me. I’m happy to go over class material that you’d like to hear explained again, or to deal with economic issues that interest you but aren’t discussed in the book, or go into more depth on important points, or anything else from the course that you want to know more about.
* **Don’t get behind in the material**. We are going to cover two chapters a week, every week, and in some weeks three chapters if they’re shorter ones. If you fall behind, you’ll have to catch up on whatever you missed and still have to do that week’s two chapters as well. You can recover from being one or even two classes behind, but it will take a lot of extra time while you’re catching up. If you get further behind than that, it will be extremely difficult to catch up and your grade will almost certainly suffer. Make a regular time to do your economics reading and problems, and stick to it every day.
* **If you need particular accommodations, let me know right away**. If you have to miss a class (try hard not to, but I know there are times which you can’t avoid it) then let me know in advance. I’ll tell you the reading assignment for the class you’ll miss, and the homework if I have set it. That way you’ll be able to do out-of-class work while you’re away, and that will make catching up easier when you get back. Also, I will not call on you for homework problems in class that day, so you won’t get a zero for that day’s work (which you will get if you haven’t let me know of your absence in advance). I will make all required accommodations for learning disabilities. You will need to provide documentation to the Dean of Students office, who will contact me with the appropriate accommodations to make.