

Moravian College
Department of Economics & Business

Economics 152 PM
Principles of Economics

Fall, 2006
Prof. J. Szmania

Administrative Information:

- Email: jszmania@att.com -- Please include in the Subject line of your email: Moravian College
- Phone #: 610-865-1986
- Office Hours: Before class and by appointment. I am somewhat flexible in my hours and will work with you on setting up appointments.

Text: *Economics*, Michael A Leeds, Peter von Allmen & Richard C. Schiming, Pearson/Addison Wesley, 2006. Note: We will not be using MyEconLab.

Fall Calendar:

- 15 sessions – 13 Lectures + 1 In-Class Midterm + the Final Exam
- Calendar Highlights – All Classes Held on Tuesday 6:30 PM to 9:30 PM
 1. August 29 – First Day of Class
 2. September 26 – Midterm #1
 3. October 10 – No Class
 4. October 31 – Midterm #2
 5. December 5 – Last Day of Class
 6. December 19 – Final Exam

Blackboard: <http://blackboard.moravian.edu> (Password: princ2006).

Files on Blackboard: (All posted in the ‘Course Documents’ Section)

1. Course Syllabus
2. Course Outline
3. Problem Sets
4. The answers to the chapter Problem Sets

Course Objectives:

We live in a world of scarcity. As an introductory course, there are several ‘principles’ that the course will explore – 1) the ‘economic’ way of thinking about scarcity and resource allocation, 2) the value of using markets to make resource allocation decisions and 3) understanding the conditions under which markets will work well and when they won’t work very well.

The course is divided into three sections – 1) The first four chapters are an introduction to economic concepts including demand and supply, 2) Microeconomics or the study of consumers, firms, market structures, and optimal resource allocation and 3) Macroeconomics or the study of economic aggregates in the short-run, the long-run and the very long-run.

Course Outline and Reading List:

Introduction –

- Chapter 1 – Economics: The Science of Everyday Life
- Chapter 2 – Efficiency and Allocation in the Global Economy
- Chapter 3 – The American Economy in a Global Setting
- Chapter 4 – Introduction to the Demand & Supply Framework

Microeconomics –

- **The Role of Consumers and Firms**

- Chapter 7 – Consumer Behavior
- Chapter 8 – Firm Production and Cost

- **Market Structure, Pricing and Public Policy**

- Chapter 9 – Perfect Competition
- Chapter 10 – Monopoly
- Chapter 11 – Monopolistic Competition and Product Differentiation
- Chapter 12 – Oligopoly

- **Market Failures and the Need for Intervention**

- Chapter 6 – Market Efficiency and Government Intervention
- Chapter 13 – Antitrust, Regulation and Deregulation
- Chapter 17 – Market Failure: Public Goods and Externalities

- **International Trade**

- Chapter 31 – International Trade

Macroeconomics –

- **Measuring Macroeconomic Health**

- Chapter 20 – GDP and the Business Cycle
- Chapter 18 – Unemployment and Employment
- Chapter 19 – Inflation and Prices

- **Aggregate Demand and Aggregate Supply**

- Chapter 21 – Aggregate Demand and Aggregate Supply: The Basic Model
- Chapter 22 – From Short-Run to Long-Run Equilibrium: The Model in Action

- **Fiscal Policy**

- Chapter 23 – The Role of Aggregate Demand in the Short-Run
- Chapter 23 Appendix – The Keynesian Cross
- Chapter 24 – Fiscal Policy
- Chapter 25 – The Federal Budget and the National Debt

- **Money & Monetary Policy**

- Chapter 26 – Basics of Money and Banking
- Chapter 27 – Money Creation and Monetary Policy
- Chapter 28 – Money in the Macroeconomy

- **Implications of Macroeconomic Policy**

- Chapter 29 – Long-Run Implications of Macroeconomic Policy

- **Very Long-Run Macroeconomics – Economic Growth**
Chapter 30 – Economic Growth

Additional notes and readings will be handed out in class.

Grading:

The course grade is based on the following distribution:

Problem Sets	25%
Midterm #1	15%
Midterm #2	30%
Final Examination	30%

- **Grading Elements:**

Problem Sets: The problem set for each chapter will be due the Tuesday following the conclusion of the chapter. Late submissions will not be accepted. The problem set for the chapters covered in the last class on December 5 will be due on the day of the final exam. The answers to the problems will be posted on Blackboard. Problem Sets are to be completed by your self. These are mini-exams. Some of the problems will cover material that was not discussed in class. You are nevertheless responsible for these questions.

Midterm Exam #1: The first midterm will be a take-home. It is due in class on Tuesday September 26. Late submissions will not be accepted.

Midterm Exam #2: The second midterm will be given in class on Tuesday October 31. No make-up exam will be given. If you miss this midterm and have notified me beforehand – and your excuse is deemed valid – then the weight on the final will be 60% of your total grade. If you miss both the midterm and the final, then your combined grade for both will be 0.

Final Exam: The final will be given on December 19. Alternate arrangements for taking the final cannot be considered; therefore, please plan accordingly. Only the Dean for Academic Affairs may authorize a make-up final.

Additional Information:

- **General Comments**

Lectures and readings are designed to be complementary; therefore, neither should be taken as a substitute for the other. In particular, there will be material presented in the lectures that is not covered in the textbook. You are responsible for all topics covered in lectures, written assignments, practice problems, assigned reading, and handouts. There are several parts of the book that will not be covered in class. I will inform you of those sections in class. You will not be responsible for that material.

The challenge of the course is due more to the unfamiliarity of the material than to any inherent difficulty with the subject matter. There are a significant number of terms, concepts, and analytical tools that you will have to learn. In order to learn the theories and applications presented in this class, you must be willing to work through the material proactively with pencil and paper (and eraser) in hand – a rather inelegant but proven approach to understanding the material.

Finally, please do not hesitate to email me, call me or set up an appointment if you have questions.

- **Announcements**

I will relay additional information and announcements via email, Blackboard and during the classes.

- **Class Attendance**

Class attendance is not explicitly included in your grade calculation. But quite frankly you are doing yourself a disservice by not attending class – particularly one such as this. If you are unable to attend a session, I would appreciate you contacting me prior to the class.

If you have to miss class, I recommend that you do the following before the next class.

- Obtain the notes from a classmate.
- Review the material that was covered.
- Review the material that will be covered in class

- **Classroom Behavior**

In addition, the usual requirements regarding classroom decorum, please turn off your cell phones and other beeping devices during the class.

- **The Book and Class**

Please bring the book to class. We will be referencing a number of tables and graphs during the lectures.

- **Incompletes**

If you request an Incomplete grade, I will consult the Department Chair before rendering a decision.

- **Academic Honesty**

You are expected to abide by the College's Policy on Academic Honesty as stated in the Student Handbook. It will be enforced. The Policy is also available on the campus Intranet's P drive under <\\Rook\public\acdean\Policy Statements\Academic Honesty Policy.DOC>

- **School Closings/Emergencies**

You can check the school web site www.moravian.edu or www.wfmz.com. There is also a weather hotline 610-625-7995. In the unlikely event that a problem prevents me from holding class, I will notify the Economics Department. We will coordinate the time for a make-up class.