

Moravian College
Department of Economics and Business
Economics 152: Principles of Economics
Fall 2009 (Section C: M W F 11:45 – 12:55; Section D: M W F 2:35 – 3:45)

Instructor: Eva Marikova Leeds, Ph.D., Associate Professor
Office: Comenius 211
Office Phone: 610-861-1446 Home phone: 610-896-7865
e-mail: marik@moravian.edu
Office Hours: M W F 10:15-11:15, and by appointment

Prerequisites: college-level algebra

Text: Michael A. Leeds, Peter von Allmen, Richard C. Schiming, *Economics*, Pearson/Addison-Wesley, 2006. Please bring it to class every day!

Course Objectives: The course offers a framework for interpreting economic phenomena. It will make you conversant with economic concepts and enable you to recognize them as you watch the news and read the newspaper. You will be able to:

- Apply the theory comparative advantage to trade
- Predict the effect of different variables on market price and quantity
- Assess the effect of incentives on consumer and producer choice
- Examine market failures
- Differentiate among different market structures
- Appreciate the historical development of capitalism and its institutional requirements (LinC)
- Evaluate monetary policy and the role of the Federal Reserve System
- Understand how fiscal policy affects the economy

Requirements:

Homework is due every time we finish a chapter. Doing homework is the best way to learn the material—and some homework problems are on the exams! Every neat and completed homework counts for 0.5% of your grade, up to 7%; it is not graded.

I distribute or post answers to all HW, and I review selected HW problems in class.

Please turn in all HW before class time on the day it is due. I do **not** accept late HW.

- If you are doing HW with someone else, you must **acknowledge** any help received – or provided – by writing the other student's name on your HW.
- If you fail to do the HW, your final grade will be two fractions of a grade lower. Moreover, you will struggle with the exams, which will endanger your grade.

Reading assignment 1: In a newspaper or magazine, find an article dealing with a microeconomic topic, and print or Xerox it. In a few sentences, explain how the article relates to a topic we have covered or analyze the article using the material we have

studied. I will provide a template for this assignment. Due date is Friday, October 9, in class. The assignment is worth 2% of your grade.

Reading **assignment 2**: Follow the same instructions and find an article dealing with a macroeconomic topic. Due date is Monday, November 23, in class (for 2% of grade).

Please note: if two students, by chance, turn in the same article, I may ask them to look for another one.

An excellent source I encourage you to read is The Economist at www.economist.com. A bad source is generally someone's blog.

There are three **exams**, each covering five or more chapters. I provide all necessary formulas on the board or on a handout, but you must memorize the simplest ones. Each exam includes short answer questions. I also offer an optional final exam, which you may use to replace your lowest exam grade. There are **no make-up exams**. If you miss one of the three exams, you must take the final exam. You must not use **phones** during any exam.

Exam dates:

- Exam 1: September 28 (Monday)
- Exam 2: October 30 (Friday)
- Exam 3: December 4 (Friday)
- Exam 4: December 16 at 8:30 AM (Section D)
December 18 at 1:30 PM (Section C)

Expectations:

Some of you may find economics a bit challenging, but all of you can earn a good grade. All that you need is diligence and dedication. For every one hour of class time, you should study an additional two hours. You must read the book and do the homework regularly, and you must study all homework assignments before each exam. I encourage you to see me during office hours, both alone and in groups. To ease your HW and exam preparation, I post slides and make announcements on **Blackboard**. Please check the site regularly!

I usually **curve** the exams to give half the class As and Bs, but the curve is capped at 12 points.

Grading:

| | |
|-------------------|-----|
| Homework..... | 7% |
| Two articles..... | 4% |
| Three exams..... | 89% |

Grading Scale:

| | | | |
|----------------|----------------|----------------|---------------|
| 93 - 100: A | 90 - 92.99: A- | | |
| 87 - 89.99: B+ | 83 - 86.99: B | 80 - 82.99: B- | |
| 77 - 79.99: C+ | 73 - 76.99: C | 70 - 72.99: C- | |
| 67 - 69.99: D+ | 63 - 66.99: D | 60 - 62.99: D- | 00 - 59.99: F |

Attendance Policy:

I urge you to come to class regularly! Attendance does not enter your grade directly, but it has a large impact indirectly. It allows you to participate, to learn from your classmates, and to get a better sense of what is important. Moreover, the lectures and the text reinforce one another.

Academic Honesty Policy:

I encourage you to study in groups and to discuss all homework, but you must write the name of all students in the study group on your homework **and** you must write your own answers to earn any credit. If you work in groups, acknowledge it, yet provide the same answers, you earn no credit.

The following simple rule holds for both homework and exams: If you copy an answer from another student or if you let another student copy from you, you will receive **zero** for the whole assignment or exam. Note that the punishment is the same for both parties.

Beware of plagiarism! If you are lifting phrases (of more than three words) or definitions from the textbook, the web, or any other source, use quotation marks and provide the page number, the URL, or the source citation. If you fail to use quotes, you will get **zero** for the HW or for the reading assignment.

Please read the college academic honesty policy at

<http://www.moravian.edu/studentLife/handbook/academic/academic2.html>

Example:

“**Corporate finance** is an area of finance dealing with the financial decisions corporations make and the tools and analysis used to make these decisions. The primary goal of corporate finance is to maximize corporate value while reducing the firm's financial risks.”

http://en.wikipedia.org/wiki/Corporate_finance

Schedule:

| Week of: | Topics | Text |
|----------------------------|---|---|
| Aug. 31 | The Science of Everyday Life Appendix Feet, Dollars and Inches Efficiency and Allocation | Chapter 1 Chapter 1 <u>Economist</u> Chapter 2 |
| September 7 (2 classes) | <u>Labor Day</u> Efficiency and Allocation Demand and Supply Framework | Chapter 2 Chapter 4 |
| September 14 | Demand and Supply Framework Traditional Economies; Development of capitalism Elasticity | Chapter 4 Chapter 5 |
| September 21 | Market Efficiency and Government Intervention | Chapter 6 |

| | | |
|---------------------------|---|--|
| | Review | Chapters 1, 2, 4-6 |
| September 28 | Yom Kippur/Exam 1 (9-28-09) Market Failure: Public Goods Consumer Behavior | Chapters 1, 2, 4-6 Chapter 17 Chapter 7 |
| October 5 | Consumer Behavior Firm Production and Cost Reading Assignment 1 | Chapter 7 Chapter 8 |
| October 12 (2 classes) | <u>Fall Break</u> Perfect Competition | Chapter 9 |
| October 19 | Monopoly Market Failure: Externalities | Chapter 10 Chapter 17 |
| October 26 | Market Failure: Externalities Review Exam 2 (10-30-09) | Chapter 17 Chapters 7-10&17 Chapters 7-10&17 |
| November 2 | Unemployment and Employment Inflation and Prices GDP and the Business Cycle Redefining Recession | Chapter 18 (parts) Chapter 19 (parts) Chapter 20 (parts) <u>Economist</u> |
| November 9 | Aggregate Demand and Supply Fiscal Policy | Chapter 21 (parts) Chapter 24 (parts) |
| November 16 | The Federal Budget and the National Debt Basics of Money and Banking Money Creation and Monetary Policy | Chapter 25 (parts) Chapter 26 (parts) Chapter 27(parts) |
| November 23 (1 class) | Handout (group assignment); Reading Assignment 2 <u>Thanksgiving Break</u> | |
| November 30 | Money Creation and Monetary Policy Review Exam 3 (12-04-09) | Chapter 27(parts) Macro Chapters Macro Chapters |
| December 7 (2 classes) | Economic Growth Review | Chapter 19 (parts) Selected Chapters |
| December 16/18 | Final Exam | Selected Chapters |

The syllabus is subject to change.

