

Moravian College
Department of Economics and Business
Economics 325: History of Economic Thought
Spring 2011 (M W: 11:45–12:55)

Instructor: Eva Marikova Leeds, Ph.D., Associate Professor
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Office Hours: M W 2:00-4:00, and by appointment

Prerequisites: Economics 152

Text: Todd Buchholtz, *New Ideas from Dead Economists*, Plum, 2007, second revised edition. Please bring it to class every day!

Description and Objectives: The course traces the development of economic theories and policies from Adam Smith to today.

- Understand economic ideas in the context of their times
- Appreciate the link among economists and their ideas
- Introduce and review major economic concepts
- Apply your knowledge to current events, especially those in *The Economist*

Requirements:

Homework is due every time we finish a chapter or read an article. Doing homework is the best way to learn the material—and some homework problems are on the exams! Every typed and completed homework counts for 0.5% of your grade, up to 8%; it is not graded. I post answers to all HW, and I review selected HW problems in class.

- If you receive help or offer help to anyone else, write the name of the relevant person on your HW.
- Turn in all HW before class time on the day it is due. I do **not** accept late HW.

Find two medium length economic articles in a newspaper or magazine (from 2010/11) and print or Xerox it. If the articles are too short or too simple, you will not earn full credit. An excellent source is *The Economist* at www.economist.com. Other good sources are *The Wall Street Journal* and *The New York Times*. The late penalty is 10% per day. Each article is worth 1% of your grade.

For another 1% of your grade, **type** the chapter of your text and the topic in the chapter to which each article relates. In one sentence, state the main claim (thesis) of the article; in two to three paragraphs, explain the article using what we have learned. Do not summarize it! An example will be posted on Blackboard. As part of the writing process, you will respond to my comments and produce a final version.

There are three **exams**, each one covering three to six chapters. I provide all formulas on the board. I also offer an **optional final** exam, which you can 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 are not allowed to use **phones** or to **leave** the room during an exam. Doing so results in zero points on the exam.

Tentative exam **dates:** Exam 1: February 14 (Monday)
 Exam 2: March 28 (Monday)
 Exam 3: April 20 (Wednesday)
 Final Exam: May 2, 8:30 am

A 5-7 **paper** focusing on any economic thought or policy, based on three primary sources, is due on April 18. A brief outline with the sources is due on April 6. The paper should follow the standard expository form.

You must **keep** all graded materials (HW, articles, paper, and exams) until you receive your final grade.

Expectations:

For every one hour of class time, you are expected to study an additional two hours. You must read the book and do the homework regularly, and you must study the 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 before each class!

Grading: Homework.....8%
 Articles.....4%
 Paper.....15%
 Three exams.....73%

Grading Scale:

100+	A+	93 - 100.0: 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- 0 - 59.99: F

If half the class does not earn As and Bs, I **curve** the exams accordingly.

Attendance Policy:

I urge you to come to class regularly! Attendance does not enter your grade directly, but it matters indirectly. You will get a better sense of what is important. Listening to lectures and reading the text reinforce one another. Moreover, attendance allows you to interact with your classmates and learn from them.

Academic Honesty Policy:

I encourage you to study in groups and to discuss all homework, but you must write your own answers **and** the names of all students in the study group on your homework. If you copy your answers from existing handouts, another student, or the web, you will receive **zero** for the whole HW assignment. If you let another student copy from you, you will also receive **zero** for the whole HW assignment or exam. Note that the punishment is the same for both parties. I offer this advice: If a student asks you for a copy of your HW, do not give it to him/her. Be nice and agree to offer verbal help.

Beware of **plagiarism!** If you are lifting phrases (three words or more) or definitions from the textbook or the web, use quotations marks and provide the page number or the URL. Changing **a few words** in the original is still plagiarism. All **figures** must be accompanied by a source (E.g., Huang and Galinsky tested 77 undergraduates to find how posture affects self esteem. (*The Economist*, 01-15-11, p. 90)) If you fail to use quotes or to provide a proper citation, you will get **zero** for the HW or assignment.

Schedule:

<u>Week of:</u>	<u>Topics</u>	<u>Text</u>
Jan. 17	Birth of Economics Economic Revolution	Chapter 1 Heilbroner, 2
Jan. 24	Adam Smith Thomas Malthus	Chapter 2&Gopnic Chapter 3
Jan. 31	David Ricardo John Stuart Mill	Chapter 4 Chapter 5
Feb. 7	Karl Marx Review	Chapter 6 Chapters 1-6
Feb. 14	Exam 1 (2/14/11) Alfred Marshall	Chapters 1-6 Chapter 7
Feb. 21	Elasticity Vilfredo Pareto Old and New Institutionalists Article 1 (4/23/11)	Frank, 4 Chapter 8
Feb. 28	Coase Theorem "Triple A Failure"	Frank, 16 Lowenstein
March 7	Spring Break	
March 14	Dependence Effect Knowledge and Society	Hayek Hayek

	J. M. Keynes and Macroeconomics	Chapter 9
March 21	A. C. Pigou and Externalities Review	Chapters 7-9
March 28	Exam 2 (3/28/11) Milton Friedman and Monetarism	Chapters 7-9 Chapter 10
April 4	“A Natural Experiment” Paper outline (4/6/11) Public Choice School	<i>JEP</i> , Fall 2005, 145-150 Chapter 11
April 11	Rational Expectations & Behavioral Economics Rational Expectations Article 2 (4/13/11)	Chapter 12 Blanchard, p. 365
April 18	Review Exam 3 (4/20/11)	Chapters 10-12 Chapters 10-12
April 25	Easter Monday Dark Clouds, Silver Lining Review	Chapter 13 Chapters 1, 4, 9, 11, 13
May 2	Final Exam (8:30 am)	Chapters 1, 4, 9, 11, 13

You are responsible for following the rules stated on the syllabus

The syllabus is subject to change

Olivier Blanchard, *Macroeconomics*, Pearson, 2009, 5th edition

Robert H. Frank, *Microeconomics and Behavior*, McGraw-Hill/Irwin, 2010, 8th edition

Adam Gopnic, “Market Man,” *The New Yorker*, October 18, 2010

Robert Heilbroner, *The Wordly Philosophers*, Simon and Schuster, 1999, 7th edition

Friedrich Hayek, “The Non Sequitur of the Dependence Effect,” *Southern Economic Journal*, 27, 346-8

Friedrich Hayek, “The Use of Knowledge in Society,” *The American Economic Review*, 1945

Lowenstein:

<http://query.nytimes.com/gst/fullpage.html?res=9900EFDE143DF934A15757C0A96E9C8B63&sec=&spon=&partner=permalink&exprod=permalink>