

Moravian College
Department of Economics and Business
Economics 152: Principles of Economics
Fall 2011 (Section C: M W F 11:45 – 12:55; Section D: M W F 1:10 – 2:20)

Instructor: Eva Marikova Leeds, Ph.D., Associate Professor
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Office Hours: M W 4:00-5:30, F 2:30-3:30, and by appointment

Prerequisites: College-level algebra

Text: Glenn R. Hubbard and Anthony O'Brien, *Essentials of Economics*, Pearson/Prentice Hall, 2009, 2nd edition. 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 (public goods and common resources)
- 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
- Exhibit familiarity with economic terminology, institutions, and models

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; it is not graded.

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

I will also assign homework from **handouts**.

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 or tutor'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.
- If you fail the first exam, you must seek help from me or the tutor. You must have a tutor's signature on your HW until the next exam for the HW to count.

Reading **assignment 1**: In a newspaper or magazine, find a short (one-page) article dealing with a microeconomic topic, and print or Xerox it. Briefly analyze the article using the material we have studied. I have provided a template for this assignment. Due date is Friday, October 7, in class. The assignment is worth 2.5% of your grade.

Reading **assignment 2**: Follow the same instructions and find an article dealing with a macroeconomic topic. Due date is Monday, November 21, in class (for 2.5% of grade). An excellent source I encourage you to read is The Economist at www.economist.com. A blog is generally a bad source.

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. I also offer an optional final exam, which can 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. **Calculators** are allowed.

Exam dates:

- Exam 1: September 26 (Monday)
- Exam 2: October 28 (Friday)
- Exam 3: December 2 (Friday)
- Final Exam: December 14 at 1:30 PM (Section C)
December 9 at 1:30 PM (Section D)

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 (up to 100%) to give half the class As and Bs.

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| Grading: | Homework..... | 9% |
| | Two articles..... | 5% |
| | Three exams..... | 86% |

Grading Scale:

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|----------------|----------------|----------------|---------------|
| 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, learn from your classmates, and 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 will earn one credit for the entire group.

The following 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>

Special Accommodations:

To request special accommodations, please contact Mr. Joe Kempfer, Assistant Director of Learning Service for Disability Support, 1307 Main Street (extension 1510).

Schedule:

| <u>Week of:</u> | <u>Topics</u> | <u>Text</u> |
|----------------------------|---|---------------------------|
| Aug. 29 | Foundations and Models | Chapter 1 |
| | Appendix | Chapter 1 |
| | Six years into a lost decade | <u>Economist</u> 8/6/2011 |
| | Comparative Advantage & the Market System | Chapter 2 |
| September 5 (2 classes) | <u>Labor Day</u> Demand and Supply Supply and Demand article | Chapter 3 |
| September 12 | Demand and Supply Market Efficiency and Failure (Common Resources) Trees grow in Brooklyn http://www.economist.com/node/17468409 | Chapter 3 Chapter 4 |
| September 19 | Financial Markets | Chapter 5 |

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|---------------------------|---|--|
| September 19 | Review | Chapters 1-5 |
| September 26 | Exam 1 (9-26-11) Consumer Choice and Elasticity Development of Capitalism; Pennies?? Handout for September 28 (religious holiday) | Chapters 1-5 Chapter 6 |
| October 3 | Consumer Choice and Elasticity Production and Costs Reading Assignment 1 | Chapter 6 Chapter 7 |
| October 10 (2 classes) | <u>Fall Break</u> Perfect Competition | Chapter 8 |
| October 17 | Monopoly and Antitrust Policy Imperfect Competition | Chapter 9 Chapter 10 |
| October 24 | Review Exam 2 (10-28-11) | Chapters 6-10 Chapters 6-10 |
| October 31 | GDP: Measuring Total Production Unemployment and Inflation Job creation http://www.nytimes.com/2011/08/16/opinion/nocera-what-is-business-waiting-for.html?_r=1&emc=eta1 | Chapter 11 Chapter 12 |
| November 7 | Growth, Financial System & Business Cycles Redefining Recession http://www.economist.com/node/12207987 Aggregate Demand and Supply | Chapter 13 Chapter 14 |
| November 14 | Money, Banking, and the Federal Reserve Monetary Policy | Chapter 15 Chapter 16 |
| November 21 (1 class) | Fiscal Policy Reading Assignment 2 <u>Thanksgiving Break</u> | Chapter 17 |
| November 28 | Fiscal Policy Review Exam 3 (12-02-11) | Chapter 17 Chapters 11-17 Chapters 11-17 |
| December 5 (2 classes) | Review | Selected Chapters |
| December 9/14 | Final Exam | Selected Chapters |

The syllabus is subject to change.