

Moravian College
Department of Economics and Business
Economics 152: Principles of Economics
Fall 2012 (Section C: M W F 11:45 – 12:55)

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

Prerequisites: College-level algebra

Text: Glenn R. Hubbard and Anthony O'Brien, *Essentials of Economics*, Pearson/Prentice Hall, 2013, 3rd 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 as well as from selected handouts. 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.

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 Wednesday, October 3, 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 19, in class (for 2.5% of grade). An excellent source I encourage you to read is The Economist at www.economist.com. Other good sources are national newspapers, such as The New York Times or The Wall Street Journal. A blog is generally a bad source.

There are four **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 exam, you must take the final exam. You must not use **phones** during any exam. **Calculators** are allowed.

Tentative Exam Dates:

Exam 1:	September 24 (Monday)
Exam 2:	October 17 (Wednesday)
Exam 3:	November 7 (Wednesday)
Exam 4:	December 5 (Wednesday)
Final Exam:	December 13 (Thursday at 8:30 AM)

Expectations:

Some of you may find economics a bit challenging, but with diligence and dedication all of you can earn a good grade. 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 notes 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 (which means that the other half gets a C or below).

Grading:

Homework.....	10%
Two articles.....	5%
Four exams.....	85%

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, 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.

Read the college academic honesty policy at

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

For a related issue on how economists deal with conflict of interest, see

American Economic Association rule disclosure

<http://chronicle.com/article/Economists-Adopt-New/130257/>

Special Accommodations:

Students who wish to request accommodations in this class for a disability should contact Elaine Mara, assistant director of learning services for academic and disability support at 1307 Main Street, or by calling 610-861-1510. Accommodations cannot be provided until authorization is received from the Academic Support Center.

Schedule:

<u>Week of:</u>	<u>Topics</u>	<u>Text</u>
Aug. 27	Foundations and Models Six years into a lost decade http://www.economist.com/node/21525440 Comparative Advantage & the Market System	Chapter 1 <u>Economist</u> 8/6/2011 Chapter 2
September 3 (2 classes)	<u>Labor Day</u> Demand and Supply Appendix (pp. 30-31)	Chapter 3 Chapter 1
September 10	Demand and Supply Market Efficiency and Failure Common Resources	Chapter 3 Chapter 4 Handout
September 17	The Economics of Health Care Handout/Review (Rosh Hashana) Review	Chapter 5 Chapters 1-5

September 24	Exam 1 (9-24-12) Financial Markets Consumer Choice and Elasticity	Chapters 1-5 Chapter 6 Chapter 7
October 1	Consumer Choice and Elasticity Technology, Production, and Costs Reading Assignment 1 (Oct. 3) Handout (Oct. 5)	Chapter 7 Chapter 8
October 8 (2 classes)	<u>Fall Break</u> Perfect Competition	Chapter 9
October 15	Review Exam 2 (10-17-12) Monopoly and Antitrust Policy	Chapters 6-9 Chapters 6-9 Chapter 10
October 22	Monopoly and Antitrust Policy Imperfect Competition	Chapter 10 Chapter 11
October 29	GDP: Measuring Total Production Unemployment and Inflation	Chapter 12 Chapter 13
November 5	Review Exam 3 (11-07-12) Growth, Financial System & Business Cycles Redefining Recession http://www.economist.com/node/12207987	Chapters 9-13 Chapters 9-13 Chapter 14
November 12	Aggregate Demand and Supply Money, Banking, and the Federal Reserve	Chapter 15 Chapter 16
November 19 (1 class)	Monetary Policy Reading Assignment 2 <u>Thanksgiving Break</u>	Chapter 17
November 26	Monetary Policy Fiscal Policy	Chapter 17 Chapter 18
December 3	Review Exam 4 (12-05-12) Evaluations	Chapters 14-18 Chapters 14-18
December 13	Final Exam (Thursday, 8:30 AM)	Selected Chapters

The syllabus is subject to change—noted on Blackboard.