

Principles of Economics

Sections A, B and C

Course description: This is a one semester course that covers both the principles of microeconomics and macroeconomics.

Microeconomics is the study of the economic decisions of individuals and firms. Individuals must decide how to allocate their time between working and leisure, and as consumers, they additionally have to decide what goods to purchase. Firms must decide on strategies to lower costs and raise revenues in order to maximize profits. The combined actions of individuals and firms will be modeled to show how an unencumbered market distributes resources. Then, the likely effects of government regulation and taxes on market outcomes and efficiency will be considered. Finally, we will discuss cases in which markets fail to allocate resources efficiently and the possible private and public remedies to these failures.

Macroeconomics is the study of economic decisions at the country level. Policy makers must decide what policies they should implement to promote economic growth, and furthermore, which combination of fiscal and monetary policies to implement to promote stable growth. This course will look at how a nation's output depends on consumption, investment, government purchases, net exports, and changes in the money supply. Additionally, the course will examine the effects of interest rates and exchange rates on overall economic well-being in the short-run and the long run.

Course Objectives:

- To provide students with a comprehensive introduction to the concepts and principles of micro and macroeconomics as well as an introduction to economic history and the development of economic thought.
- To generate student interest in applying economic concepts and tools of analysis as part of an integrated approach to understanding current issues and problems faced by individuals, business organizations and governments.
- To integrate the subject matter of economics with the broader pursuit of a liberal arts and sciences education.
- To provide students with the opportunity to develop effective analytical and communication techniques and be prepared to take intermediate level courses in micro and macroeconomics.

Requirements: This course is a hybrid course, which means that class time will not solely be used for lecturing, as in traditional courses. Instead, in order to facilitate discussion, group work and/or other activities during the regular class time, students are expected to do the readings prior to class. At times, there will be video lectures or online assignments in addition to or instead of the readings, which should also be done prior to class. 3-5 random quizzes on the readings throughout the semester will serve to motivate and/or reward being prepared for class.

Attendance of lectures is required as is your active participation in group assignments and discussions (as much as is possible given the size of the class). Problem sets will be

assigned weekly using MyEconLab, which is a supplementary online assessment tool that is packaged together with your textbook (see below). You may work on problems sets in groups of 2-4 people, but you must submit your solutions individually. Finally, in addition to the random quizzes on the assigned readings or video lectures, there will be two midterm examinations and one cumulative final. All exams will be closed book exams (except for the use of calculators) and **must** be taken at the scheduled time. All work and exams are subject to the terms of Academic Honesty Policies as described in the student handbook.

Notice: "Students who wish to request accommodations in this class for a disability should contact Ms. Elaine Mara, Assistant Director of Academic & Disability Support, located on the first floor of Monocacy Hall (extension 1401). Accommodations cannot be provided until authorization is received from the Academic Support Center."

Grading:

Your grade for this course will be determined by the following formula:

Attendance	0% (see below)
Problem Sets	20%
Quizzes	15%
Midterm 1	15%
Midterm 2	20%
Final	30%
Total	100%

Attendance is required, and absences will lead to a maximum 10% *deduction* from your overall GPA (which is equivalent to 0.4 points deducted from a perfect possible 4.0 GPA). You are allowed two absences, but any additional absences begin accumulating a grade deduction penalty according to the following schedule:

Total # of Absences	GPA Deduction
0-2	0
3	0.05
4	0.1
5	0.15
6	0.2
7	0.25
8	0.3
9	0.35
10	0.4

Course Materials: The textbook for the course is:

Hubbard, R. Glenn and Anthony O'Brien, Essentials of Economics Pearson, 4th edition; Pearson Publishers, c. 2015. (including MyEconLab access)

Many supplementary readings and videos will be available on the Blackboard course page or as links in the PowerPoint lectures posted on Blackboard. The internet will additionally be used throughout the course as a means for accessing current economic data, articles and podcasts.

Blackboard: All course materials like the course syllabus, lectures, problem sets and handouts will be available on the Blackboard course page.

Office: Comenius Hall Room 214

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Office Hours: Monday 2-4, Wednesday 1-2 and by appointment.

Course Outline
(This outline is tentative and subject to change.)

Date	#	Topics and Assignments
Week 1		
8/31	1	Economics and Economic Reasoning <ul style="list-style-type: none"> ▪ Reading: Chapter 1 ▪ Supplementary Reading: Appendix 3A from <u>Economics</u>, by Colander
9/2	2	Opportunity Cost and the Gains from Trade <ul style="list-style-type: none"> ▪ Reading: Chapter 2
9/4	3	Questions and Exercises
Week 2		
9/7	4	Market Demand and Supply (D&S) <ul style="list-style-type: none"> ▪ Reading: Chapter 3
9/9	5	Some Demand and Supply Examples and Applications
9/11	6	Questions and Exercises
Week 3		
9/14	7	D&S and Government Intervention <ul style="list-style-type: none"> ▪ Reading: TBA
9/16	8	Elasticity <ul style="list-style-type: none"> ▪ Reading: TBA
9/18	9	Questions and Exercises
Week 4		
9/21	10	Measuring Efficiency: Consumer and Producer Surplus <ul style="list-style-type: none"> ▪ Reading: Chapter 4
9/23	11	Small Open Economy D&S Model <ul style="list-style-type: none"> ▪ Reading: TBA
9/25	12	Midterm 1 Review
Week 5		
9/28	13	Midterm 1
9/30	14	D&S Model of Exchange Rates
10/2	15	Questions and Exercises
Week 6		

10/5	16	Costs ▪ Reading: Chapter 8
10/7	17	Perfectly Competitive Profit-Maximizing Firm ▪ Reading: Chapter 8
10/9	18	Questions and Exercises
Week 7		
10/12		*** FALL BREAK ***
10/14	19	Monopoly, Oligopoly and Strategic Behavior ▪ Reading: Chapter 10 and 11
10/17	20	Questions and Exercises
Week 8		
10/19	21	Externalities and Market Failures ▪ Reading: TBA
10/21	22	Introduction to Macroeconomics: GDP ▪ Reading: Chapter 12
10/23	23	Questions and Exercises
Week 9		
10/26	24	Measuring Inflation ▪ Reading: TBA
10/28	25	Unemployment and More Definitions ▪ Reading: TBA
10/30	26	Midterm 2 Review
Week 10		
11/2	27	Midterm 2
11/4	28	Economic Growth ▪ Reading: TBA
11/6	29	Questions and Exercises
Week 11		
11/9	30	Introduction to Aggregate Demand and Aggregate Supply ▪ Reading: Chapter 15
11/11	31	The (Keynesian) Multiplier Model ▪ Reading: TBA
11/13	32	Questions and Exercises

Week 12		
11/16	33	Introduction to Money and Banking ▪ Reading: TBA
11/18	34	The Federal Reserve and Monetary Policy ▪ Reading: TBA
11/20	35	Questions and Exercises
Week 13		
11/23	36	Money and Theories of Inflation ▪ Reading: TBA
11/25		*** THANKSGIVING BREAK ***
11/27		*** THANKSGIVING BREAK ***
Week 14		
11/30	37	Short Run vs. Long Run AD/AS Model ▪ Reading: TBA
12/2	38	Monetary and Fiscal Policy in the AD/AS Model ▪ Reading: TBA
12/4	39	Questions and Exercises
Week 15		
12/7	40	TBA
12/9	41	TBA
12/11	42	Final Review and Last Day of Classes
Week 16		
12/14-12/18		Final Exam as scheduled by the registrar