



Course Syllabus

ECN101G - Introduction to Economics

Number of ECTS credits: 6

Time and Place:

Tuesday, 10:00-11:30 at VeCo 3

Thursday, 10:00-11:30 at VeCo 3

Contact Details for Professor

Name of Professor: Abdel. Bitat, Assistant Professor

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Office hours: Monday, 15:00-16:00 and Friday, 15:00-16:00 (Students who are unable to come during these hours are encouraged to make an appointment.)

Office Location: -1.63C

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Course Prerequisites (if any)

There are no pre-requisites for the course. However, since economics is mathematically intensive, it is worth reviewing secondary school mathematics for a good mastering of the course. A great source which starts with the basics and is available at the VUB library is **Simon, C., & Blume, L. (1994). *Mathematics for economists*. New York: Norton.**

Course Description

The course illustrates the way in which economists view the world. You will learn about basic tools of micro- and macroeconomic analysis and, by applying them, you will understand the behavior of households, firms and government. Problems include: trade and specialization; the operation of markets; industrial structure and economic welfare; the determination of aggregate output and price level; fiscal and monetary policy and foreign exchange rates.

Course Learning Objectives (CLO)

In terms of knowledge:

- Master basic economic terminology (jargon) and use it in appropriate contexts.
- Understand how markets and the price mechanism function.
- Describe the behavior of economic agents (consumers, firms, governments...)
- Understand economic welfare and producer and consumer surplus.
- Recognize the major macro-economic indicators for economic activity.
- Appraise the role of macroeconomic policies on firms and households.

In terms of skills

- Think through economic decisions faced in personal and professional life.
- Apply mathematical tools to formulate and solve economic problems.
- Deliver written reports that meet set quality standards under strict deadlines.
- Communicate effectively both orally and in writing on various economic topics.
- Being up-to-date with recent economic development by consulting the economics and financial press on a regular basis.
- Use interpersonal communication skills to work in a culturally diverse team.
- Show the capacity to apply research ethics while producing a written report.

In terms of attitudes, students should develop in this course:

- Relate to major ideas in philosophy and history to the study of economics.
- Open-mindedness to pluralism in economic schools of thought.

LINK BETWEEN MAJOR OBJECTIVES, COURSE OBJECTIVES, TEACHING METHODS, ASSIGNMENTS AND FEEDBACK

Summary:

Number of assignments used in this course: 4 (1 problem set, 1 written assignment, 1 mid-term exam, 1 final exam)

Number of Feedback occasions in this course: 2 in-class oral sessions (solutions to the problem set and mid-term exam) and 1 written report (essay paper)

Number and Types of Teaching Methods: 3 types (lectures on theory and international news, in-class discussions, tutorials)

Major Learning Objectives	Course Learning objectives addressing the Major Objectives (testable learning objectives)	Methods used to Teach Course Objectives	Methods (and numbers/types of assignments) used to test these learning objectives	Type, Timing and Instances of Feedback given to Student
The bachelor has a broad knowledge of the different functional fields of business management. S/he is able to apply this knowledge in the analysis of business-oriented problems and is able to propose solution to specific business problems.				
The bachelor has an understanding of the interrelatedness of the different functional fields of business and understands the impact of this on decision-making.				
The bachelor has insight into the broad societal context of businesses and is able to take it into account in the analysis of business-oriented problems.	- Understand economic welfare and producer and consumer surplus.	- Lectures, in-class discussions, - Tutorials	- 1 problem set - 1 mid-term exam - 1 final exam - 1 written assignment	- Oral in-class feedback one week following the problem set deadline - Oral in-class feedback one week following the mid-term exam - Written report on the essay two weeks after the deadline
The bachelor knows and is able to apply common qualitative and quantitative research methods and is able to apply these in the field of business studies	- Apply mathematical tools to formulate and solve economic problems. - Understand how markets and the price mechanism function. - Understand economic welfare and producer and consumer surplus.	- Lectures and exercises	- Written assignment	- Oral in-class feedback - Written feedback on the essay
The bachelor has an open and academic attitude characterized by accuracy, critical reflection and academic curiosity.	- Deliver written reports that meet set quality standards under strict deadlines. - Show the capacity to apply research ethics while producing a written report. - Relate to major ideas in philosophy and history to the study of economics.	- In-class exercises - Homework problem set	- 1 analytical problem set	- Oral in-class feedback one week following the problem set deadline

Major Learning Objectives	Course Learning objectives addressing the Major Objectives (testable learning objectives)	Methods used to Teach Course Objectives	Methods (and numbers/types of assignments) used to test these learning objectives	Type, Timing and Instances of Feedback given to Student
	- Open-mindedness to pluralism in economic schools of thought.			
The bachelor is able to identify the international dimension in business-related problems and knows how to handle these problems in an effective way.	- Recognize the major macro-economic indicators for economic activity. - Appraise the role of macroeconomic policies on firms and households.	- Lectures, in-class discussions, tutorials, discussing the news	- 1 problem set - 1 mid-term exam - 1 final exam - 1 written assignment	- Oral in-class feedback one week after the problem set deadline. - Oral in-class feedback one week after the mid-term exam - Written report through rubric: Summary and theory note, two weeks after deadline
The bachelor is able to work in a multi-cultural team.				
The bachelor recognizes the importance of life-long learning.	- Relate to major ideas in philosophy and history to the study of economics. - Being up-to-date with recent economic development by consulting the economics and financial press on a regular basis.	- Discussing the news, requiring students to read the press	- 1 written assignment	- Written report two weeks after deadline
The bachelor is able to communicate clearly, fluently and accurately; as well in a written report as in an oral presentation.	- Use interpersonal communication skills to work in a culturally diverse team. - Master basic economic terminology (jargon) and use it in appropriate contexts.		- 1 written assignment: - Summary of press release - Note on link between press release and theory	- Written report: Summary and theory note, two weeks after deadline
The bachelor is able to combine ethical and business-oriented judgments in the analysis of business problems and takes these ethical considerations explicitly into account in the solutions proposed for business problems	- Show the capacity to apply research ethics while producing a written report. - Think through economic decisions faced in personal and professional life.	- Lecturing on: - The desirability of market structures from a society point of view; - Market failures and government's role in ensuring equity and fairness	- Mid-term and final exam - Written assignment: theory note	- Oral in-class feedback one week after the mid-term exam - Written report two weeks after the deadline

Main Course Materials (please note that you can find the readings for each week and session in the Course Schedule section below):

The course material consists mainly of PowerPoint presentations and readings from the textbook's chapters. The PowerPoint presentations will be made available after the respective classes have taken place. Students are expected to visit the Vesalius portal regularly to keep abreast of course evolutions as any important messages will be uploaded to the portal. Students are required to read the economics and financial press. Throughout the semester, I will post news topics linked to the course materials that students need to follow. Reading the press is also both useful and helpful to guide the students in selecting an article for the written assignment. Examples of high-quality newspapers and magazines are Financial Times, The Guardian, The Economist, or the Wall Street Journal.

A week-by-week overview of the course readings can be found in the section below. The list with further reading is listed for each week and is designed to help students grasp the overarching concepts of each lecture. Students are not expected to read all the sources listed in 'further reading' section, but are encouraged to consult them to further understand the topic covered in class discussions. Prof. Parker (Reed College) provides a useful [Guide to Reading Economics Papers](#).

Textbooks:

- O'Sullivan, A., Sheffrin, S., & Perez, S., (2019). *Survey of Economics: Principles, Applications, and Tools*, 8th Edition, Boston: Pearson Education (Older editions are OK; the digital version is much cheaper).
- Krugman, P., Wells, R., & Graddy, K., (2016). *Essentials of Economics*, 4th Edition, New York: Worth Publishers (3rd edition is fine but 1st and 2nd are outdated).

Recommended References books:

- O'Sullivan, A., Sheffrin, S., & Perez, S., (2017). *Economics: Principles, Applications, and Tools*, 8th Edition, Boston: Pearson Education. (Contains all the chapters from the compulsory textbook plus some material that will not be covered in class, but it is usually cheaper).
- Hubbard, G., & O'Brien, A., (2019). *Economics*, 7th Edition, Boston: Pearson Education.
- Parkin, M., (2019). *Economics*, 13th Edition, Boston: Pearson Education.
- Acemoglu, D., Laibson, D., & List, J., (2018). *Economics*, 2nd Edition, Boston: Pearson Education.
- Samuelson, P., & Nordhaus, W., (2009). *Economics*, 19th Edition, Boston: McGraw-Hill Higher Education.
- Mankiw, G., (2018). *Principles of Economics*, 8th Edition, Boston: Cengage Learning.

Additional Sources

The following magazines, newspapers, and think tanks' websites are recommended for familiarizing yourself with the most recent events and developments.

Press

www.ft.com (the Financial Times)

www.nytimes.com (the New York Times)

www.economist.com (The Economist)
www.wsj.com (The Wall Street Journal)
www.bloomberg.com (Bloomberg News)
www.forbes.com (Forbes Magazine)

Podcasts

www.freakonomics.com (Freakonomics Podcast)
www.econtalk.org (EconTalk Podcast)
<https://fee.org/shows> (Foundation for Economic Education Podcast)

YouTube

www.vox.com (Vox YouTube Channel)
www.rt.com/shows/boom-bust (BoomBust YouTube Channel)

Blogs

www.gregmankiw.blogspot.com (Prof. Gregory Mankiw's Blog)
www.robertstavinsblog.org (Prof. Roberts Stavins' Blog)
www.piketty.blog.lemonde.fr/category/in-english/ (Prof. Thomas Piketty's Blog)
www.krugman.blogs.nytimes.com (Prof. Paul Krugman's Column for the New York Times)

Think-Tanks

www.bruegel.org (Bruegel Blog)
www.cepr.org (Centre for Economic Policy Research)
www.ceps.eu (Centre for European Policy Studies)
www.nber.org (National Bureau of Economic Research)

Active Learning and Intensive 'Reading around the Subject': Additional Sources, Recommended Journals and Websites:

Learning should be an active and self-motivated experience. Students who passively listen to lectures, copy someone else's notes, and limit their readings to required chapters are unlikely to develop their critical thinking and expand their personal knowledge system. At the exam, these students often fail to demonstrate a critical approach. Students are strongly recommended to have an updated understanding of developments related to this course and related to their wider Major. Active and engaged learning will turn out to be enriching to the overall course and class discussions. Students are invited to deepen their understanding of both theoretical and current issues from a variety of sources. Please find a list of suggestions compassing the entire course below. You are encouraged to read and browse in the leading journals of your discipline.

Leading Journals Relevant for this Course:

- American Economic Review;
- Econometrica;
- Journal of Econometrics;
- Journal of Political Economy;
- Quarterly Journal of Economics;
- Annual Review of Economics;
- Research Policy;

- Review of Economic Studies;
- Journal of Economic Literature;
- Journal of Economic Perspectives.

Work Load Calculation for this Course:

This course counts for 6 ECTS, which translates into 150 – 180 hours for the entire semester for this course. This means that you are expected to spend roughly 10 hours per week on this course. This includes 3 hours of lectures or seminars per week and 7 hours 'out of class' time spent on preparatory readings, studying time for exams as well as time spent on preparing your assignments. Please see below the estimated breakdown of your work-load for this course.

Time spent in class: 3 hours per week / 45 hours per semester

Time allocated for course readings: 3 hours per week / 45 hours per semester

Time allocated for preparing the problem set: 15 hours per semester

Time allocated for preparing the written assignment: 20 hours per semester

Time allocated for preparing/revising for written Mid-term Exam: 20 hours

Time allocated preparing/revising for written Final Exam: 20 hours

Total hours for this Course: 160 hours

Course Assessment: Assignments Overview

The students will be evaluated on the basis of their performance in the following assignments:

•	Problem set	15%
•	Essay	25%
•	Mid-term examination	30%
•	Final examination	30%
•	TOTAL	100%

Grading Scale of Vesalius College

Vesalius College grading policy follows the American system of letter grades, which correspond to a point scale from 0 – 100. **All assignments (including exams) must be graded on the scale of 0-100.** To comply with the Flemish Educational norms, professors should on request also provide the conversion of the grade on the Flemish scale of 0-20. The conversion table below outlines the grade equivalents.

Letter grade	Scale of 100 (VeCo Grading Scale)	Scale of 20 (Flemish System)
A	85-100	17.0-20.0
A-	81-84	16.1-16.9
B+	77-80	15.3-16.0
B	73-76	14.5-15.2

B-	69-72	13.7-14.4
C+	66-68	13.1-13.6
C	62-65	12.3-13.0
C-	58-61	11.5-12.2
D+	54-57	10.7-11.4
D	50-53	10.0-10.6
F	0-49	0-9.9

Description of Activities, Grading Criteria and Deadlines:

Assignment 1: Essay paper (25%)

Students have to write an essay paper by following these steps:

Step 1

Select one press release on a topic related to microeconomics (covered in Chapters 1 through 8 of the course materials).

Criteria:

- The original press release should count at least 800 words and date from the period after September 2018.
- The article should originate from a high-quality, English-written, newspaper or magazine. Examples are: The Economist, The Financial Times, The New York Times, The Wall Street Journal, The Guardian.
- The topic (including title, author's name, newspaper/magazine source, date, student name) should be submitted through Canvas.
- Each student should select a unique article. If two or more students post the same article, then a first-come-first-serve rule will apply: the article will be assigned to the first student.
- Choice and length of the press release will count towards the grade.
- Students are not allowed to consult in advance with the instructor about the quality of the article. If after the submission of the topic, the instructor finds that the article is not eligible for the written assignment, then the student will be given a second chance to choose a more appropriate article and get up to 80% of the maximum grade for the "choice of the article".

Step 2

Make a summary of the press release.

Criteria:

- Number of words: between 300 and 350 words.
- Word count has to be mentioned.

The summary should be well-structured and fluently written; grammar, vocabulary and punctuation will count.

- Graphical analyses are not allowed.

Step 3

Write an essay on how the press release is linked to the theory.

Criteria:

- Number of words: between 1 200 and 1 300 words.
- Word count has to be mentioned.
- The summary should be well-structured and fluently written; grammar, vocabulary and punctuation will count.
- You should use at least one scholarly article in addition to the course materials.
- You should cite the article(s) in the theory note (not in the summary!). The reference(s) need(s) to be included in the bibliography list at the end of the essay.
- You do not have to cover all the course subjects that are linked to the press release. You should rather select only a few subjects and provide a more in-depth analysis.
- Graphical analyses are not allowed.

You are required to follow the template provided on Canvas. Both the summary and note will be graded according to the following criteria:

- Content
- Language and grammar
- Clarity and structure
- Punctuation
- Correct length

Don't use quotes. Make sure to paraphrase the ideas from the original text. Explain in the theory note how the scholarly article(s) is linked to the subject.

Use [Writing Tips For Economics Research Papers](#) (Nikolov, 2013) as a reference for a proper economic writing style.

The written assignment is an individual work and should thus be done individually. Deadline for on-line topic declaration through Canvas: February 21.

Deadline for submission of summary and theory note (incl. a copy of the press release; a link by mail is not sufficient!): March 28.

Students will receive a written feedback two weeks after the deadline: April 23.

Students are required to submit no later than the deadline indicated on the syllabus:

- one e-copy (Canvas);
- one hard copy;

Essay	Press release deadline	Essay deadline	Feedback
	February 19	March 26	April 23

Assignment 2: Problem set (15%)

Students will receive a problem set to do at home on week 11. Problem sets are due two weeks after they are distributed (week 13). Students are encouraged, but not required, to hand-in a complete answer on week 12 for the early-bird deadline.

Students who choose to do so will receive the letter grade corresponding to their answer, and the letter grade only (without detailed corrections). Students have then the choice of either keeping their grade or hand-in an improved answer the following week (13) at the hard deadline, with the possibility to get up to 90% of the maximum grade (if the revised answer is worse than the original answer, then the student will keep the original grade). All students are required to hand-in their answer by the hard deadline, whether they had submitted an answer for the early-bird deadline or not. Both a hard copy and an e-copy of the assignment are due on week 13 with late assignments penalized 10% for each day past the due date; assignments handed in more than 3 days after the due date will not be accepted. Please contact me as soon as possible if there are extenuating circumstances (illness, personal emergency) that justify an extension of a problem set deadline.

The problem set will be composed of three exercises. The goal of the problem set is to ensure that students are keeping up with the technical aspects of the theoretical lectures. As such the content will be heavy on analytical reasoning rather than theoretical concepts. The early-bird deadline allows students to get feedback twice and encourages them to figure out their potential missteps. The hard deadline allows students to have plenty of time to develop their answer before the final exam.

Problem Set	Date Distributed	Early Bird Deadline	Hard Deadline	Feedback
	April 4	April 23	April 30	May 9

Assignment 3: Mid-Term Exam (30%)

The mid-term exam will cover chapter 1 through 8 and will ask you:

- to briefly explain a number of theoretical concepts;
- to make graphical representations;
- to argue true or false statements;
- to solve short numerical exercises;
- to apply what you have learned either by working a problem or by commenting on releases from the economics and financial press.

Assignment 4: Final Exam (30%)

The final exam will cover chapter 9 through 18 and will ask you:

- to briefly explain a number of theoretical concepts;
- to make graphical representations;
- to argue true or false statements;
- to solve short numerical exercises;

- to apply what you have learned either by working a problem or by commenting on releases from the economics and financial press.

Rubrics: Transparent Grading Criteria For Each Assignment

The following criteria will be applied in assessing your written work:

Grading form for the written assignment

Choice of the press release

	FAIL (0-49/100)	FAIR (50-61/100)	GOOD (62-80/100)	EXCELLENT (81-100/100)	% grade
Criterion 1: Quality of the source	Unidentified source.	The article is from non-specialized press.	Article is from a specialized source.	Article is from a renowned and specialized source.	10%
Criterion 2: Choice of topic	The topic is not covered in the course material.	The topic is within the scope of the course material.	The topic is within the scope of the course material and is timely.	The topic is within the scope of the course material and is timely with policy relevance.	10%
Criterion 3: Length of press release	Less than 800 words.	Between 800-900 words.	Between 900-1000 words.	More than 1000	5%
Total					25%

Summary (300-350 words) and theory note (1200-1300 words)

	FAIL (0-49/100)	FAIR (50-61/100)	GOOD (62-80/100)	EXCELLENT (81-100/100)	% grade
Criterion 1: Content	The content does not refer to the course material. The link between the press release and the referenced material is not well established.	The content either refers to the course material or at least one scholarly article. The link between the press release and the referenced material is weakly established.	The content refers to both the course material and at least one scholarly article. The link between the press release and the referenced material is clear.	The content refers to the course material and more than one scholarly article. The link between the press release and the referenced material as well as the contribution of the essay are well introduced.	35%
Criterion 2: Language, grammar, style, clarity and	The text is filled with grammatical and punctuation mistakes; It suffers from	The text contains a significant number of errors in grammar, punctuation or	The text is readable with few grammatical and punctuation mistakes. The structure is	The text suffers from no grammatical or punctuation mistakes; It uses rich and	20%

structure	fractured syntax; The text is written in a colloquial style. The text is unstructured, sloppy and half-hearted.	spelling. The text is semantically consistent. The text follows the general structure of the template. The text is written in a journalistic style or lacks analytical tone.	correctly followed. The text is written in an economic style with an analytical tone.	specialized vocabulary. The text is well-structured and fluently written in an academic style.	
Criterion 3: Quality of scholarly article	No scientific reference or a reference from a non-scholarly article.	The text references a at least one article but a few are from non-peer reviewed journals.	The text reference at least one article, all from peer-reviewed journals.	The text references more than one article, all from leading peer reviewed journals in the field.	20%
Total					75%

Vesalius College Attendance Policy

As the College is committed to providing students with high-quality classes and ample opportunity for teacher-student interaction, it is imperative that students regularly attend class. As such, Vesalius College has a strict attendance policy. Participation in class meetings is mandatory, except in case of a medical emergency (e.g. sickness). Students will need to provide evidence for missing class (doctor's note). If evidence is provided, the missed class is considered as an excused class. If no evidence is provided immediately before or after the class, the missed class is counted as an absence.

Participation implies that students are on time: as a general rule, the College advises that students should be punctual in this regard, but it is up to the professor to decide whether to count late arrivals as absences, or not.

Additional Course Policies

10% will be subtracted from the maximum grade of the assignments for each day of delay. There will be no make-up exam in case of absence unless justified (medical certificate).

Academic Honesty Statement

Academic dishonesty is NOT tolerated in this course.

Academic honesty is not only an ethical issue but also the foundation of scholarship. Cheating and plagiarism are therefore serious breaches of academic integrity.

Following the College policy, cheating and plagiarism cases will be communicated in writing to the Associate Dean and submitted to the Student Conduct Committee for disciplinary action.

If you refer to someone else's work, appropriate references and citations must be provided. Grammar, spelling and punctuation count, so use the tools necessary to correct before handing in assignments.

Please consult the Section "Avoiding Plagiarism" in the College Catalogue for further guidance.

Turnitin

Students are required to submit their essay through Canvas.

Course Schedule (Overview)

Week	Date	Topic	Important dates and deadline
Week 1	January 22	Course and syllabus / Unit 1 – Introduction to Economics	
	January 24	Unit 2 – Key Principles of Economics	
Week 2	January 29	Unit 3 – Demand, Supply, and Market Equilibrium	
	January 31	Unit 3 – Demand, Supply, and Market Equilibrium (ct'd)	
Week 3	February 5	Unit 4 – Elasticity	
	February 7	Unit 4 – Elasticity (ct'd)	
Week 4	February 12	Unit 5 – Production and Costs	
	February 15	Unit 5 – Production and Costs (ct'd)	
Week 5	February 19	Unit 6 – Perfect Competition	Submission of the press release.
	February 21	Unit 7 – Monopoly	
Week 6	February 26	Unit 8 – Monopolistic Competition, and Oligopoly	
	February 28	Unit 8 – Monopolistic Competition, and Oligopoly (ct'd)	
Week 7 Mid-term Week	March 5	REVISION SESSION	
	March 7	Mid-Term Exams	
Week 8	March 12	Unit 9 – Market Failure and Externalities	
	March 14	Unit 10 – Macroeconomics	
Week 9	March 19	Unit 11 – Macroeconomic Indicators	
	March 21	No class (work on the essay)	
Week 10	March 26	Unit 12 – Unemployment and Inflation	Submission of the essay.
	March 28	Unit 12 – Unemployment and Inflation (ct'd)	
Week 11	April 2	Unit 13 – Economic Growth	
	April 4	Unit 14 – Aggregate Demand and Aggregate Supply	Problem Set
Spring Recess – April 08 – 19 – NO CLASSES			
Week 12	April 23	Unit 15 – Fiscal Policy	Pset early bird deadline
	April 25	Unit 16 – Money and the Banking System	
Week 13	April 30	Unit 17 – Monetary Policy and Inflation	Pset hard deadline
	May 2	Unit 18 – International Trade and	

		Finance	
Week 14	May 7	Unit 18 – International Trade and Finance (ct'd)	
	May 9	REVISION SESSION	
Week 15	May 13-17	FINAL EXAMS	

Detailed Session-by-Session Course Outline

Week 1, Session 1 (January 22)

Unit 1: Introduction to the Course and Overview of Core Requirements

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 1 – Introduction to Economics.

Supplementary:

Essentials of Economics (Textbook): Ch. 1 – First Principles.

Guiding Questions:

1. What is Economics? List the three key economic questions.
2. List the four elements of the economic way of thinking.
3. Microeconomics? List three ways to use microeconomics.
4. Macroeconomics? List three ways to use macroeconomics.

Week 1, Session 2 (January 24)

Unit 2: Key Principles of Economics

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 2 – The Key Principles of Economics

Supplementary:

Essentials of Economics (Textbook): Ch. 2 – Economic Models: Trade-offs and Trade.

Further Readings:

Backhouse, Roger E., & Medema S. (2009). On the Definition of Economics, *Journal of Economic Perspectives* 23 (1) 221-233.

Guiding Questions:

1. Define the principle of opportunity cost?
2. Define the marginal principle?
3. Define the principle of diminishing returns?

Week 2, Session 3 (January 29)

Unit 3: Demand, Supply, and Market Equilibrium

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 3 – Demand, Supply, and Market Equilibrium (Sections 3.1, 3.2 and 3.3)

Supplementary:

Essentials of Economics (Textbook): Ch. 3 – Supply and Demand (Sections 3.1, 3.2 and 3.3).

Guiding Questions:

1. Describe and explain the law of demand?
2. Describe and explain the law of supply?
3. Explain the role of price in reaching a market equilibrium.

Week 2, Session 4 (January 31)

Unit 3: Demand, Supply, and Market Equilibrium (ct'd)

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 3 – Demand, Supply, and Market Equilibrium (Sections 3.4, 3.5 and 3.6)

Supplementary:

Essentials of Economics (Textbook): Ch. 3 – Supply and Demand (Sections 3.4 and 3.5).

Guiding Questions:

1. Describe the effect of a change in demand on the equilibrium price?
2. Describe the effect on a change in supply on the equilibrium price?
3. What factors may cause a change the equilibrium in price?

Week 3, Session 5 (February 5)

Unit 4: Elasticity

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 4 – Elasticity: A Measure of Responsiveness. (Sections 4.1, 4.2 and 4.3)

Supplementary:

Essentials of Economics (Textbook): Ch. 5 – Elasticity and Taxation (Sections 5.1, 5.2 and 5.3).

Guiding Questions:

1. List the determinant of the price elasticity of demand?
2. How does price elasticity of demand affect quantity and total revenue?

3. Explain how the price elasticity of demand varies along a linear demand curve?

Week 3, Session 6 (February 7)

Unit 4: Elasticity (ct'd)

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 4 – Elasticity: A Measure of Responsiveness (sections 4.4, 4.5 and 4.6).

Supplementary:

Essentials of Economics (Textbook): Ch. 5 – Elasticity and Taxation (Sections 5.4 and 5.5)

Guiding Questions:

1. Define the income elasticity and cross-price elasticity of demand?
2. List the determinants of the price elasticity of supply?
3. How do demand and supply elasticities affect equilibrium prices?

Week 4, Session 7 (February 12)

Unit 5: Production and Costs

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 5 – Production Technology and Cost (Sections 5.1 and 5.2)

Supplementary:

Essentials of Economics (Textbook): Ch. 6 – Behind the Supply Curve: Inputs and Costs (Sections 6.1 and 6.2)

Guiding Questions:

1. Define economic cost and economic profit?
2. Explain the relationship between Marginal Costs and Average Costs?

Week 4, Session 8 (February 14)

Unit 5: Production and Costs (ct'd)

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 5 – Production Technology and Cost (Sections 5.3 and 5.4)

Supplementary:

Essentials of Economics (Textbook): Ch. 6 – Behind the Supply Curve: Inputs and Costs (Section 6.3)

Stigler, G. (1958). The economies of scale. *The Journal of Law and Economics*, 1, 54-71.

Guiding Questions:

1. Distinguish between economies of scale, constant returns to scale and diseconomies of scale?
2. Provide examples of production costs?

Week 5, Session 9 (February 19)

Unit 6: Perfect Competition

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 6 – Perfect Competition (Sections 6.1, 6.2, 6.3 and 6.4)

Supplementary:

Essentials of Economics (Textbook): Ch. 7 – Perfect Competition and the Supply Curve (Sections 7.1, 7.2 and 7.3)

Guiding Questions:

1. List the four market structures and explain the differences?
2. Explain the output rule and the break-even price?
3. Explain the shut-down rule?

Week 5, Session 10 (February 21)

Unit 7: Monopoly

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 7 – Monopoly and Price Discrimination

Supplementary:

Essentials of Economics (Textbook): Ch. 8 – Monopoly, Oligopoly, and Monopolistic Competition (Section 8.1)

Guiding Questions:

1. Describe and explain a monopolist's output decision?
2. Explain why a monopoly is socially inefficient?
3. Describe the practice of price discrimination?

Week 6, Session 11 (February 26)

Unit 8: Monopolistic Competition, and Oligopoly

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 8 – Market Entry, Monopolistic Competition, and Oligopoly (Sections 8.1, 8.2 and 8.3)

Supplementary:

Essentials of Economics (Textbook): Ch. 8 – Monopoly, Oligopoly, and Monopolistic Competition (Section 8.2)

Guiding Questions:

1. Describe and explain the effects of market entry?
2. List the conditions for equilibrium in monopolistic competition?
3. Contrast monopolistic competition and perfect competition?

Week 6, Session 12 (February 28)

Unit 8: Monopolistic Competition, and Oligopoly (ct'd)

Readings:

Compulsory:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 8 – Market Entry, Monopolistic Competition, and Oligopoly (Sections 8.4 and 8.5)

Supplementary:

Essentials of Economics (Textbook): Ch. 8 – Monopoly, Oligopoly, and Monopolistic Competition (Section 8.3 and 8.4)

Guiding Questions:

1. Explain why a price-fixing cartel is difficult to maintain?
2. Explain the effects of a low-price guarantee on the price?
3. Define a natural monopoly and explain the average-cost pricing policy?

Week 8, Session 15 (March 12)

Unit 9: Market Failure and Externalities

Readings:

Compulsory:

Essentials of Economics (Textbook): Ch. 9 – Externalities and Public Goods

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 9 – Imperfect Information, External Benefits, and External Costs (Section 9.5, 9.6 and 9.7)

Coase, R. (1960). The problem of social cost. In *Classic papers in natural resource economics* (pp. 87-137). Palgrave Macmillan, London.

Guiding Questions:

1. Distinguish between negative and positive externalities?
2. Define a public good and the free rider problem?
3. Describe the role of taxation in promoting efficient environmental policy?

Week 8, Session 16 (March 14)

Unit 10: Macroeconomics

Readings:

Compulsory:

Essentials of Economics (Textbook): Ch. 10 – Macroeconomics: The Big Picture

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 11 – Measuring a Nation's Production and Income (sections 11.1, 11.2 and 11.3).

Guiding Questions:

1. Explain the circular flow of the economy?
2. List the phases of the business cycle?

Week 9, Session 17 (March 19)

Unit 11: Macroeconomic indicators

Readings:

Compulsory:

Essentials of Economics (Textbook): Ch. 11 – GDP and the CPI: Tracking the Macroeconomy

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 11 – Measuring a Nation's Production and Income (sections 11.4, 11.5 and 11.6).

Guiding Questions:

1. Explain the difference between real and nominal GDP?
2. Is GDP a Good Measure of Economic Well-Being?

Week 9, Session 18 (March 21)

No class (work on the essay).

Week 10, Session 19 (March 26)

Unit 12: Labor Market

Readings:

Compulsory:

Essentials of Economics (Textbook): Ch. 12 – Unemployment and Inflation (Sections 12.1 and 12.2)

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 12 – Unemployment and Inflation (Sections 12.1, 12.2 and 12.3)

Guiding Questions:

1. Define these concepts: the labor force, the labor force participation rate, and the unemployment rate?
2. Distinguish between cyclical, structural, and frictional unemployment?
3. Describe the costs of unemployment.

Week 10, Session 20 (March 28)***Labor Market (ct'd)*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 12 – Unemployment and Inflation (Section 12.3)

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 12 – Unemployment and Inflation (Sections 12.4, 12.5 and 12.6).

Guiding Questions:

1. Discuss how the Consumer Price Index is calculated?
2. Explain the difference between inflation and the price level?
3. Summarize the costs of anticipated and unanticipated inflation.

Week 11, Session 21 (April 2)***Economic Growth*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 13 – Long-Run Economic Growth

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 13 – Why Do Economies Grow?

Guiding Questions:

1. Explain the role of capital in economic growth.?
2. Explain the importance of technological progress to economic growth?
3. What are the sources of technological progress?

Week 11, Session 22 (April 4)***Aggregate Demand and Aggregate Supply*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 14 – Aggregate Demand and Aggregate Supply (Sections 14.1 and 14.2)

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 14 – Aggregate Demand and Aggregate Supply (Sections 14.1 and 14.2)

Guiding Questions:

1. Explain the role sticky wages and prices play in economic fluctuations.
2. List the determinants of aggregate demand.

Week 12, Session 23 (April 23)***Fiscal Policy*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 15 – Fiscal Policy

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 15 – Fiscal Policy

Guiding Questions:

1. Explain how fiscal policy works using aggregate demand and aggregate supply?
2. Identify the fiscal policy tools at the government disposal?

Week 12, Session 24 (April 25)***Money and the Banking System*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 16 – Money, Banking, and the Federal Reserve System

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 16 – Money and the Banking System.

Guiding Questions:

1. Explain the process of multiple expansion and contraction of deposits?
2. Discuss examples of how Central Banks act during financial crises?

Week 13, Session 25 (April 30)***Monetary Policy and Inflation*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 17 – Monetary Policy

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 17 – Monetary Policy and Inflation.

Guiding Questions:

1. Explain the role of demand and supply in the money market?
2. List the tools that central banks can use to change short-term interest rates?

Week 13, Session 26 (May 2)***International Trade and Finance*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 19 – International Trade, Capital Flows, and Exchange Rates (Sections 19.1, 19.2 and 19.3)

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 18 – International Trade and Finance (Sections 18.1, 18.2 and 18.3)

Guiding Questions:

1. Use opportunity cost to explain the rationale for specialization and trade?
2. List the common protectionist policies?
3. Summarize the history of international trade agreements?

Week 14, Session 27 (May 7)***International Trade and Finance (ct'd)*****Readings:****Compulsory:**

Essentials of Economics (Textbook): Ch. 19 – International Trade, Capital Flows, and Exchange Rates (Sections 19.4)

Supplementary:

Survey of Economics: Principles, Applications, and Tools (Textbook): Ch. 18 – International Trade and Finance (Sections 18.4 and 18.5)

Guiding Questions:

1. Discuss how the price of foreign exchange is determined by demand and supply?
2. List the benefits and costs of a system of fixed exchange rates compared to a system of flexible exchange rates?