EC110 Principles of Economics  
(Spring 2015)

Module: Principles of Economics  
Seminar Leader: Martin Binder  
Course Times: Mon 10:45-12:15, Wed 10:45-12:15  
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Course description
This course is an introduction to the essential ideas of economic analysis. It elaborates the basic model of consumer and firm behaviour, including demand and supply, in the context of an idealized competitive market, and examines several ways in which the real world deviates from this model, including monopoly, minimum wages and other price controls, taxes, and government regulation. The assumptions concerning human behaviour that underlie economics are presented and critiqued. The module is also concerned with the aggregate behaviour of modern economies: growth and measurement of the economy, unemployment, interest rates, inflation, government spending and its impact, and international trade. Part of the module focuses on the government tools used to influence economic growth and individuals' behaviour.

Learning outcomes
- Mastery of fundamental concepts of economic analysis
- Understanding of the economic method and its application to the explanation of human behaviour
- Basic knowledge and understanding of the overall functioning of modern economies
- Ability to recognize and understand the ways in which real-world economic activity and behaviour deviates from the models and patterns used in the discipline of economics
- Capacity to analyse and critique the assumptions concerning behaviour that are at the basis of economic analysis

Requirements

Textbooks
For this course, we will use the textbook “Principles of Economics” by Mankiw (6th international edition) and required readings will mostly be from this book (newer/older editions of the book may be used as well).

Attendance
Attendance at ALL classes is expected. More than two absences (that is absences from two sessions of 90 minutes) in a semester will significantly affect the grade for the course.

Assessment
Assessment will be based on attendance, preparation for classes, regular and active participation, quizzes/problems sets, as well as a mid-term (60 minutes) and a final examination (90 minutes). The worst-graded quiz and problem set will not count towards the grade.

Policy on late submission of exercises
Exercises that are up to 24 hours late will be downgraded one full grade (from B+ to C+, for example). After that, I will accept late submissions only until the end of the week in which they were due (Sun,
23:59), but these cannot receive a grade of higher than C. Thereafter, the student will receive a failing grade for the assignment.

**Grade breakdown**
Seminar preparation and participation 10%
Quizzes 10%
Mid-term exam 20%
Problem sets 20%
Final examination 40%

**Schedule**
Classes start on Monday Jan 26 and run until Friday May 08, with spring break planned for Mar 16–20, 2014. Completion week will take place May 13–20.

The schedule provided is provisional in order to allow for flexibility. It is the students’ responsibility to keep themselves informed of any changes to the schedule provided here. An up-to-date schedule will be maintained by the course management in our google classroom system. Problem sets will be distributed and returned via google classroom, as will lecture slides. Please sign in for the course, using the code provided in the first session (classroom.google.com).

Week 1 – Introduction/The principles of economics; How economists think  
Jan 26, Jan 28  
Reading: Mankiw, Chs. 1-2

Week 2 – The gains from trade  
Feb 02, Feb 04  
Reading: Mankiw, Ch. 3

Week 3 – How markets work I: Supply and demand  
Feb 09, Feb 11  
Reading: Mankiw, Ch. 4

Week 4 – How markets work II: Elasticity, price controls, taxation  
Feb 16, Feb 18  
Reading: Mankiw, Chs. 5-6

Week 5 – Markets and welfare  
Feb 23, Feb 25  
Reading: Mankiw, Ch. 7

Week 6 – Markets and welfare: Application; The economics of the public sector I  
Mar 02, Mar 04  
Reading: Mankiw, either Ch. 8 or 9, and Ch. 10

Week 7 – The economics of the public sector II; Mid-term exam  
Mar 09, Mar 11 (Mid-term exam)  
Reading: Mankiw, Ch. 11
(Spring break: Mar 16-20)

Week 8 – Firm behaviour I: Perfect competition
Mar 23, Mar 25
Reading: Mankiw, Chs. 13-14

Week 9 – Firm behaviour II: Monopoly
Mar 30, Apr 01
Reading: Mankiw, Ch. 14-15

Week 10 – Firm behaviour III: Monopolistic competition
Apr 06, Apr 08
Reading: Mankiw, Chs. 15-16

Week 11 – Firm behaviour IV: Oligopoly; The data of macroeconomics I
Apr 13, Apr 15
Reading: Mankiw, Chs. 17 and 23

Week 12 – The data of macroeconomics II; Growth
Apr 20, Apr 22
Reading: Mankiw, Chs. 24-25

Week 13 – Beyond GDP; The financial system
Apr 27, Apr 29
Reading: OECD: “How’s life?”; Mankiw, Ch. 26

Week 14 – Unemployment; Review
May 04, May 06
Reading: Mankiw, Ch. 28

Week 15/16 – Completion Week (FINAL EXAM on May 18, 10:45-12:15 Library reading room)

*Classes missed due to federal holidays will not be rescheduled.*

**Problem set deadlines**
Problem sets are due before class one week after being given and have to be uploaded to the course platform.

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