EC110 Principles of Economics

Seminar Leader: Martin Binder
Course Times: Tue 13:30-15:00, Fri 13:30-15:00
Email: m.binder@berlin.bard.edu

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 course 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, boom and bust cycles, and international trade. A large part of the course 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 (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/exercises/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). Instructors are not obliged to accept exercises that are more than 24 hours late. Where an instructor agrees to accept a late exercise, it must be submitted within four weeks of the deadline and 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 (including quizzes) 20%
Mid-term exam 20%
Problem sets 20%
Final examination 40%

Schedule
Classes start on Monday Sep 01 and run until Friday Dec 19, with fall break planned for Oct 20 – 24, 2014. Completion week will take place Dec 15 – 19.

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 on the internet at mbinder.net/teaching.

Week 1 – Introduction & The Principles of Economics
Sep 02, Sep 05
Reading: Mankiw, Chs. 1-3

Week 2 – How Markets Work
Sep 09, Sep 12
Reading: Mankiw, Chs. 4-6

Week 3 – Markets and Welfare
Sep 16, Sep 19
Reading: Mankiw, Chs. 7-9

Week 4 – The Economics of the Public Sector, Firm Behaviour I
Sep 23, Sep 26
Reading: Mankiw, Chs. 10-11, 13 (Ch. 12 optional)

Week 5 – Firm Behaviour II
Sep 30 (Oct 3 is Federal holiday, no class)
Reading: Mankiw, Ch. 14

Week 6 – Firm Behaviour III
Oct 7, Oct 10
Reading: Mankiw, Chs. 15-17

Week 7 – The Economics of the Labour Market
Oct 14, Oct 17
Reading: Mankiw, Chs. 18-19

Week 8 – Income Inequality and Poverty
Oct 28 (Mid-term exam), Oct 31
Reading: Mankiw, Ch. 20

Week 9 – The Data of Macroeconomics
Nov 4, Nov 7
Reading: Mankiw, Chs. 23-24

Week 10 – The Real Economy in the Long Run
Nov 11, Nov 14
Reading: Mankiw, Chs. 25-26, 28

Week 11 – Money and Prices
Nov 18, Nov 21
Reading: Mankiw, Chs. 29-30

Week 12 – The Macroeconomics of Open Economies
Nov 25, Nov 28
Reading: Mankiw, Chs. 31-32

Week 13 – Short-Run Economic Fluctuations I
Dec 2, Dec 5
Reading: Mankiw, Chs. 33-34

Week 14 – Short-Run Economic Fluctuations II
Dec 9, Dec 12 (Review)
Reading: Mankiw, Ch. 35

Week 15 – Completion Week (FINAL EXAM!)

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

**Problem Set Deadlines**
Problem sets are due before class one week after being given.