EC110 Principles of Economics  
(Fall 2015)

Seminar Leader: Martin Binder  
Course Times: Mon 11:00-12:30, Wed 11:00-12:30  
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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 and required readings will mostly be from this book (6th international edition and newer editions of the book are fine).

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 quiz and problem set with the worst grade 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 Aug 31 and run until Wednesday Dec 09, with fall break planned for Oct 19–23, 2015. Completion week will take place Dec 14–18.

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 following code: “y0n8g2r” (classroom.google.com).

Week 1 – Introduction/The principles of economics
Aug 31, Sep 02
Reading: Mankiw, Ch. 1

Week 2 – How economists think
Sep 07, Sep 09
Reading: Mankiw, Ch. 2

Week 3 – The gains from trade
Sep 14, Sep 16
Reading: Mankiw, Ch. 3

Week 4 – How markets work I: Supply and demand
Sep 21, Sep 23
Reading: Mankiw, Ch. 4

Week 5 – How markets work II: Elasticity
Sep 28, Sep 30
Reading: Mankiw, Ch. 5

Week 6 – How markets work III: Price controls, taxation
Oct 05, Oct 07
Reading: Mankiw, Ch. 6

Week 7 – How markets work III; Mid-term exam
Oct 12, Oct 14 (Mid-term exam, 11:00-12:30, classroom)
Reading: Mankiw, Ch. 6

(Fall break: Oct 19-23)
Week 8 – Markets and welfare  
Oct 26, Oct 28  
Reading: Mankiw, Ch. 7, additional readings provided in google classroom

Week 9 – The economics of the public sector  
Nov 02, Nov 04  
Reading: Mankiw, Chs. 10-11

Week 10 – The economics of the public sector  
Nov 09, Nov 11  
Reading: Mankiw, Chs. 10-11

Week 11 – Firm behaviour I: Costs  
Nov 16, Nov 18  
Reading: Mankiw, Chs. 13-14

Week 12 – Firm behaviour II: Perfect Competition; Monopoly  
Nov 23, Nov 25  
Reading: Mankiw, Ch. 15

Week 13 – The data of macroeconomics I  
Nov 30, Dec 02  
Reading: Mankiw, Ch. 23

Week 14 – The data of macroeconomics II; Beyond GDP; Review  
Dec 07, Dec 09  
Reading: Mankiw, Ch. 24, OECD: “How’s life?”

Week 15 – Completion Week (FINAL EXAM on Dec 16, 11:00-12:30 classroom)

*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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