

# ECON 200

## Basic Economic Issues

### Summer Session I, 2006

<p><u>Instructor:</u></p> <p>Joseph Cullen McClelland Hall #401 Email: <a href="mailto:jcullen@email.arizona.edu">jcullen@email.arizona.edu</a></p> <p><u>Office Hours:</u> MTWR 1:30PM – 2:30PM or by appointment</p> <p><u>Textbook:</u> Essentials of Economics N. Gregory Mankiw Fourth Edition, Thomson, 2006</p>	<p><u>Location/Time:</u></p> <p>McClelland #130 MTWRF, 9:00 AM – 10:45 AM</p> <p><u>Prerequisites:</u> Two courses from Tier One, Individuals and Societies (INDV 101, 102, 103, 104)</p> <p>Not available to students who have completed or are enrolled in ECON 201A, ECON 201B, or ECON 210. There are no exceptions to this policy.</p>
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#### **Course Objective:**

This course is a survey of the field of Economics. The goal is to introduce you to the main concepts and methods used in Economics. Economics is the study of choice and decision-making in a world with limited resources or, put more simply, the study of mankind in ordinary business life. This course includes many interesting issues from environmental protection to governmental policy to unemployment to international trade. *I certainly hope you enjoy the course, but more importantly, I hope that what you learn in this course will be useful to you in the future.*

#### **Attendance:**

Regular class attendance is essential for learning the material in this course. Even though class attendance is not factored into your final grade, there will be material presented in class that is not in the text. You will be responsible for ***all*** material presented in class for the exams.

#### **Grading:**

There will be three exams total – two midterms and a final. In addition, each student is required to submit a paper. Your final grade will be determined as follows:

Midterm 1	25%	(TBA)
Midterm 2	25%	(TBA)
Final	25%	Thurs, July 6
Written Paper	25%	Mon, June 27
Paper Resubmission (optional)		Weds, July 5

#### **Examinations:**

Exams will be given during class hours. You are expected to be present for each exam; there will be ***no makeup exams***. The final exam is not comprehensive.

If you should miss an exam *and* have a valid excuse (sickness, etc.) , the exam portion of your grade will be computed by averaging the other exam and the final exam. *You can only miss one exam.* For example: if you miss the first exam, the second and final exam will count for 75% of your grade. If you do not contact the instructor within 2 days of the exam or if you do not have a valid excuse for missing the exam, you will receive a zero for a grade on the exam.

Excuses must be pre-approved by the instructor or immediately after the exam has been given. Excuses must include a type-written statement explaining the reason for the absence and include all relevant documentation.

***The final and the paper cannot be missed under any circumstances.*** Failing to turn in the paper or take the final exam will result in a grade of E for the course. Also, if a student misses both midterm exams, they will receive a grade of E for the course.

Any re-grade request on midterm exams must be submitted with two days of the date that the graded exam is returned. Please make your request in writing, giving reasons why you think a regrade is necessary. The entire exam will be regraded and your points may go up or down as a result. Please visit me during office hours. Grades on the paper are final and not negotiable.

### **Written Paper:**

All students are required to submit a paper on a topic in economics. The written paper cannot be missed. After receiving the paper back, if you are not satisfied with the grade you are allowed to revise the paper and resubmit it for additional points. However, you can improve your grade by at most 10 points. For example, if you received an 80 on the first submission of the paper, at most you could get 90 points by resubmitting. If you do not submit a paper by the submission deadline, you will receive a grade of E for the class. For more details on the paper, see the Paper Requirements.

### **Practice Problems:**

Practice problems will be provided throughout the course. Due to the intensive nature and the short duration of the course, these problems will not be graded. They are meant as a tool to aid in the student's understanding of the material and to demonstrate the types of questions to be asked on the exams. The practice problems are listed under the Course Outline section of this syllabus. Solutions to these problems will be provided by the instructor periodically.

### **Special Accommodations:**

Students with disabilities who wish to request special accommodations are encouraged to contact me to arrange an appointment as soon as possible.

### **Academic Dishonesty:**

I place a high regard on academic honesty. Any attempts to cheat will be taken seriously. The penalty for cheating is a failing grade in the course and a recommendation for expulsion from the University. Just don't do it.

# Course Outline

1. Introduction
  - a. Ch. 1: Ten principles of economics  
Q for R<sup>1</sup>: #1  
P and A<sup>2</sup>: #4, 6, 12
  - b. Ch. 2: Thinking like an economist  
P and A: 5, 6
  - c. Ch. 3: Interdependence and the gains from trade  
Q for R: 3, 5  
P and A: 2, 8
2. Supply and Demand I: How markets work
  - a. Ch. 4: The market forces of supply and demand  
Q for R: 8  
P and A: 1, 7, 12
  - b. Ch. 5: Elasticity and its application  
Q for R: 9  
P and A: 2, 7
  - c. Ch. 6: Supply, demand, and government policies  
Q for R: 1, 4  
P and A: 2

**Midterm 1:** to be determined

3. Supply and Demand II: Markets and welfare
  - a. Ch. 7: Consumers, producers and the efficiency of markets  
Q for R: 3  
P and A: 3, 6
  - b. Ch. 8: The costs of taxation  
Q for R: 2  
P and A: 5, 8a
  - c. Ch. 9: International Trade  
Q for R: 3  
P and A: 3, 5
4. The Economics of the Public Sector
  - a. Ch. 10: Externalities  
Q for R: 2  
P and A: 3, 6
  - b. Ch. 11: Public Goods and Common Resources  
Q for R: 1, 3  
P and A: 9a,b,c

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<sup>1</sup> Q for R stands for the Questions for Review section of problems at the end of each chapter.

<sup>2</sup> P and A stands for the Problems and Applications section at the end of each chapter.

5. Firm Behavior and Organization
  - a. Ch. 12: The costs of production  
Q for R: 2, 3  
P and A: 5

**Midterm 2:** to be determined

**Paper due: Monday, June 27<sup>th</sup>**

6. The Data of Macroeconomics
  - a. Ch. 15: Measuring a nation's income  
Q for R: 2  
P and A: 1, 4
  - b. Ch. 16: Measuring the cost of living  
Q for R: 3, 4  
P and A: 5
7. The Real Economy in the Long-Run
  - a. Ch. 17: Production and growth  
Q for R: 4, 6  
P and A: 4
  - b. Ch. 20: Unemployment and its natural rate  
Q for R: 3, 4  
P and A: 1
8. Money and Prices in the Long-Run
  - a. Ch. 22: Money growth and inflation  
Q for R: 1  
P and A: 1, 12

**Paper Revision due (optional): Wednesday, July 5<sup>th</sup>**

**Final Exam: Thursday, July 6<sup>th</sup>**

## Paper Requirements

1. The total length of your paper must be 4 typewritten pages, 12 point, 1.25" margins, and a standard font. This page requirement is important. Since the objective of this paper is to assist students in improving their writing skills, papers will not be accepted that are less than 4 pages.
2. For your topic, scan the daily newspapers or the internet for an article related to a subject we've covered in class. Good places to look would be:
  - a. Newspapers like the Wall Street Journal or the Financial Times, also the business pages of daily paper like the Arizona Daily Star, USA Today, or the New York Times
  - b. Magazines like The Economist, Forbes, Business 2.0, and so on
  - c. The internet, such as cnnfn.com, the business and finance section at Yahoo! News, etc. Of course, all the publications I've listed above have online editions, and you can go through large parts of their archives without having to pay for it.
3. Your news story will be a lot more relevant if it's within the last 6 months. My list above is suggestions only – if you find something interesting in a place I haven't mentioned, please feel free to use it.
4. If you use an article from a printed publication, please attach either the clipping, or a copy of the article with your submitted essay. If you've used an online article, attach a printout of the article.
5. If you're going to quote a source, please do so clearly and cite it in your bibliography. Please provide a list of references at the end of your paper. Even if all you've used is the textbook – cite it. Plagiarism will not be tolerated, and will be considered cheating with the same penalties described in the syllabus.
6. How to approach your topic
  - a. Explain the issue, and how it relates to what we've covered in class. Do this in a detailed, exhaustive manner. Your textbook will probably be very helpful at this stage, as will the class notes. The goal is to see how much of the material covered you have understood, how well you have understood it, and how well you can apply it. I won't know unless you show me.
  - b. Use diagrams wherever possible. Mark them clearly.
  - c. Try to be as unbiased as possible. There's always more than one side to anything, so explain each angle and evaluate them. If the article mentions conflicting opinions or claims, evaluate each one.
  - d. I recommend you divide your paper into sections, e.g. Introduction – The Issues – Analysis – Conclusion. This will help you organize your thoughts better. Of course, you can write and title your sections in any way you want.
  - e. We are all human, and however hard we try, our personal ideologies might creep into our analysis. Your conclusions will be acceptable as long as you can justify them with rational, well-thought-out, written arguments. Once again, explain your conclusions in detail.
  - f. The library and the internet are your friends. Worthwhile outside research will definitely reflect in your grade on the paper.
  - g. Feel free to contact me with questions about your topic and how to tackle it.