

Introduction to Economics
Economics 100

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Office Hours: T TH 9-10 and M W 11:50-12:20

Text: *Essentials of Economics* by N. Gregory Mankiw

Course Objective: This course will serve as an introduction to both Micro and Macroeconomics.

Microeconomics studies the behavior of individual participants in the economy: consumers and producers, workers and employers. These buyers and sellers come together in the market to allocate scarce resources, collectively determining what goods will be consumed and produced, where and how many hours to work, and how to best organize production. We will study market structures, when markets fail, and how government policies (taxation, emission controls, minimum wage laws, etc.) impact the functioning of the market.

The objectives for the introduction to Micro are:

- Introduce students to the rigors (and benefits) of the “economic way of thinking.”
- Introduce students to the language of economics.
- Introduce students to the topics in microeconomics that they will need in future coursework.
- Teach students the difference between positive and normative analysis.

Macroeconomics studies the aggregates in the economy: the interaction of output, employment, and inflation with one another and with government monetary and fiscal policies. Specifically, the models and relationships that we study in this course are the same as those used by policy-makers in making decisions that affect us as individuals.

The objectives for the introduction to Macro are:

- Prepare students for future coursework in Macroeconomics or finance.
- If you decide to become a policy-maker, I want you to have the basis for making informed decisions.
- If (more likely) you don't plan to run for office or become the next Fed governor, I want you to be informed voters. The most concrete goal is for you to be able to pick up a newspaper and understand all of the macroeconomic news reported.

Readings, class lectures, problem sets, and exams will be the tools used to meet these goals.

Course Grades: will be based on the weighted average of the following and attendance, Exam I (20%), Exam II (20%), Exam III (20%), Cumulative Final (30%) Homework/Graded Assignments (10%).

Grades will be assigned according to the following scale,

93-100% = A	80-82% = B-	67-69% = D+
90-92% = A-	77-79% = C+	63-66% = D
87-89% = B+	73-76% = C	60-62% = D-
83-86% = B	70-72% = C-	59 or below = F

Exams: There are three exams and a final. The first is tentatively scheduled for 2/4, the second is scheduled for 2/25, the third is scheduled for 4/1. The final exam will be given during the final exam period. If it becomes necessary to change an exam date, then I will inform you at least one week in advance. If you are going to miss an exam you must let me know IN ADVANCE, otherwise there will be no make-up exam and the missed weight will go into a specially prepared cumulative final.

Homework: Problems will be distributed at the end of two classes per week. The problem(s) will cover material gone over in that class or a previous class. They are due AT THE BEGINNING of the next class period, since we will go over the problem first. You will assign yourself a grade between 0 (“I didn’t do it”) and 4 (“I did it perfectly”) and turn each problem in to me.

- You MAY: drop your 3 lowest grades (including unexcused and excused absences).
- You MAY: come by with questions about a problem once you have made a valiant attempt on your own, as demonstrated by the reams of scribbling that you’ll have with you.
- You MAY NOT: come in late and have someone else grade your problem or send your problem with someone else.

You MUST use the green pen and only the green pen provided while the problems are being review. Using any other writing implement for any other purpose during this time will be considered an Honor Code violation. Not reporting someone using a non-green pen is also an Honor Code violation.

Study Guides will be distributed about a week before each exam and, while they will not be collected, it is recommended that you work through them.

Attendance Policy: The problems will make regular attendance necessary. I do take attendance, but there will be no direct penalty for missing class. The indirect penalty is that you would receive a 0 on the homework problem. If you miss class due to illness,

sports, family emergency, etc. then you need to inform me **by email**. You are responsible for all missed material and handouts. I do not repeat lectures during office hours for the benefit of those who missed the regular lecture. I do not help people on problems if their lack of understanding is due to missing class

Academic Dishonesty: Any evidence of academic dishonesty may result in your failure of this course. Academic dishonesty includes (1) using exams from previous semesters, (2) using problems from previous semesters, (3) working together on exams, (4) completing the problems as we are going over them in class, or (5) copying (or allowing someone else to copy) any work that is turned in for a grade. You *may* discuss approaches to solving the daily problems, but when it comes time to put pen to paper, the work must be entirely your own.

Office Hours: My office is 215 Buckman. I have scheduled office hours for MW 11:50-12:20 and TR9-10. I strongly encourage you to make an appointment if you have conflicts with these times. The best way to schedule an appointment with me (or contact me for any reason) is by email: grammt@rhodes.edu.

Email: I assume you check your email at least once a day. I will use it to convey required reading in The Economist and The Wall Street Journal which we will be going over during the next class period. I will not send you “junk” or “FYI” or “Here’s a nifty Macro article in case you have a free hour”...it will always be pertinent to material you need for class.

Outline of Lectures:

- I.** Intro: Mankiw’s 10 Principles and Thinking Like an Economist (Ch. 1 & 2)
- II.** Specialization and Trade (Ch. 3)
- III.** Supply and Demand (Ch.4)
- IV.** Elasticity (Ch. 5)
- V.** Supply, Demand, and Gov’t Policy (Ch. 6)
- VI.** Market Efficiency (Ch. 7)
- VII.** Taxation (Ch. 8)
- VIII.** International Trade (Ch. 9)
- IX.** Externalities (Ch. 10)
- X.** Public Goods (Ch. 11)
- XI.** Costs of Production (Ch. 13)
- XII.** Firms in Competitive Markets (Ch. 14)
- XIII.** Monopoly (Ch. 15)
- XIV.** Intro to Macroeconomics: Mankiw’s 3 Macro Principles (Ch. 1)
- XV.** Measuring a Nation’s Income (Ch. 23)
- XVI.** Measuring the Cost of Living (Ch. 24)
- XVII.** Production and Growth (Ch. 25)
- XVIII.** Saving, Investment and the Financial System (Ch. 26)

- XIX.** The Basic Tools of Finance (Ch. 27)
- XX.** Unemployment (Ch. 28)
- XXI.** The Monetary System (Ch. 29)
- XXII.** Money Growth and Inflation (Ch. 30)
- XXIII.** Aggregate Demand and Aggregate Supply (Ch. 33)
- XXIV.** The Influence of Monetary and Fiscal Policy on Aggregate Demand (Ch. 34)