

Course Vision

Economics 100 Fall 2011

Professor Sarah M. Estelle

Section 1 @ 8 a.m. MWF (CRN 12178) ♦ Section 2 @ 9 a.m. MWF (CRN 12179)

[Economics] is a method rather than a doctrine, an apparatus of the mind, a technique of thinking which helps its possessor to draw correct conclusions.

- John Maynard Keynes (1883-1946)

Welcome to ECON 100, a one-semester introduction to the economic way of thinking through the study of both microeconomics and macroeconomics. This is your opportunity to develop an “apparatus of the mind” with far-reaching applications that span time, culture, religion, and wealth. What intrigues you? What concerns you? Even more, what baffles you? Your answers to these questions will determine the specific relevance of the “economic way of thinking” to your life.

Economics can be successfully employed by anyone. Like other social scientists, economists aim to explain human behavior but within a unique framework using special tools. In this course you will start building an economist’s toolkit that will allow you to study *homo economicus* (economic man), rightly understood. Specific topics of this course include demand for goods and services, production and supply of the same, trade, economic growth, inflation, and unemployment.

Course Objectives/ Learning Objectives

As an introductory class, the objectives of this course are primarily:

- (1) To instruct students in a **basic cognitive background** of economic analysis including terminology and methods, particularly the economic way of thinking.
- (2) To nurture an **understanding of economic principles and theories** among students that illuminates economics’ interrelation with and applicability to other disciplines and, even, one’s daily life.

Teaching Philosophy

Teaching introductory economics (often referred to as “principles”) is an opportunity for me to share with my students the topics that first made me fall in love with this field. Many ECON 100 students will not go on to major in economics and some may not intend on taking additional economics courses. While I love to open students’ eyes to what an economics major can offer, the source of my enthusiasm for principles courses is my belief that the knowledge of basic economic theory is important for everyone and is applicable to daily life. I hope by the end of the semester, you will see that I enjoy economics, prepare carefully for classes, and genuinely value my role as professor. It is my goal to prepare discussion material that provides structure while allowing student questions to direct the pace and content of each class period. In the end, it is my ambition in any principles course to nurture students’ development of economic intuition.

Learning Philosophy

You will likely hear me say more than once that my desire is for you to “wrap your brain” around the material. I hope each of you will strive to reach a level of proficiency that allows you to take the course material beyond this semester and use it in your life. To this end, LEARNING will be our focus this semester. Each element of this course has been designed to meet this end. For example, today we will discuss our vision for the course, not because there is a requirement to do so, but so you can keep that vision in mind as we progress through the semester. While there is no one right way to approach learning that applies to everyone uniformly, I do believe an active strategy on the part of the learner is an indispensable input to the learning process. Furthermore, whereas Rhodes College “aspires to graduate students with a life-long passion for learning”, I hope you all will learn more in this course than the material that is found in any introductory economics text. I hope that you learn how to formulate your own questions and seek out your own answers – in short, I hope you learn how to learn. I trust you will bear in mind that, to the extent you choose to hone the skill of learning, this class can benefit you beyond this semester, this department, and this college experience and into the wider world and over time.

Universities exist to transmit knowledge and understanding of ideas and values to students, not to provide entertainment for spectators...

- Milton Friedman (1912-2006)

Learning Tips

- *Read ahead.* Before class, read the assigned material to familiarize yourself with the vocabulary and to start formulating questions you will share with the class.
- *Follow up.* As soon as possible after class, review your notes (recopying if necessary) with an eye towards filling in any gaps and identifying pieces of material that are still unclear. Consult your textbook again as well as your classmates and me to clarify any uncertainty. Are your notes complete? Are there any parts of the text that remain unclear after reviewing the lecture?
- *Stay organized.* Keep your class notes, assignments, and all course-related material.
- *Make use of office hours and/or make appointments.* The best way to develop the economic way of thinking is to employ it daily. Talking to me is one way of doing that.
- *Work in groups.* Another way of honing your set of economic tools and developing a deeper intuition is to work with classmates. You will develop a more complete understanding of topics of which you have a firm grasp by explaining it to someone else to whom it is unclear.
- *Work independently.* Reflection often requires solitude and quiet. Strive to find balance between your individual efforts toward learning and utilizing your instructor and peers.
- *Do not confuse busy work with active learning.* Students who ask questions of the instructor, of their classmates, and - better yet - of themselves and who practice concepts of the course beyond the assigned material often have an advantage when facing a writing assignment or short answer essay exam. Instead of recopying a graph, draw one of your own and manipulate it. Instead of reviewing for a third time a problem for class or an example from the text, try to write your own practice test. If you need more ideas or would like to share your own strategy with me, I would be delighted to meet with you.



Course Nuts and Bolts

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- Instructor:** Sarah M. Estelle, 315 Buckman Hall
Office Hours: Mondays and Wednesdays 1:30-3:00, and by appointment
E-mail: estelles@rhodes.edu
- Important Dates:** Wednesday, September 28 in class: Test 1
Wednesday, October 26 in class: Test 2
December 10 or 13, depending on section: Test 3 (the final exam for this course)
- Required Texts:** The following required books should be considered supplements to our in-class work:
☞ Mankiw, Essentials of Economics (6th edition, published in 2011)
☞ Jevons, The Fatal Equilibrium
I will assign other additional short readings throughout the semester as well.
- Daily reading assignments are available on the course Moodle site. You will need to read the assignments before the date shown in order to complete the daily homework assignment and to be prepared for class.
- Moodle:** If you have not done so already, please log into Moodle and familiarize yourself with our ECON 100 course page. We will use this technology extensively throughout the semester. It is expected that you will check this site several times each week, since the contents will change over time and I will not necessarily announce in class every detail that appears on the Moodle site.
- Attendance:** There will be three fifty-minute classes each week; these will not parrot the assigned reading, so you are expected to attend every class and arrive on time. The cost you impose upon me and the class by entering late is what economists call a *negative externality*. You can impose a significant *positive externality* on the class when you are in attendance and prepared to participate. If you miss a class for any reason, you are responsible for obtaining the information you missed from a classmate and encouraged to follow-up with me afterwards.
- Academic Support:** Students who wish to discuss individual accommodations for disabilities as recommended by the **Office of Student Disability Services** (x3994, e-mail: mccowenm@rhodes.edu) should see me during office hours as early in the semester as possible.
- Kevin Starnes is the **peer tutor** for our class this semester. He will hold weekly “office hours” (times and location to be announced) to answer your questions.

**Course
Grade:**

The first exam will count for 100 points, the second exam 120 points, and the third (and final) exam 120 points. Another 60 points will come from homework throughout the semester.

	Points Possible	Percent of Total Grade
Midterm I	100	25%
Midterm II	120	30%
Homework	60	15%
Final Exam	<u>120</u>	<u>30%</u>
TOTAL	400	100%

Letter grades will be assigned according to the following scale:

Letter Grade	400-point Scale	Corresponding %
A	372	93%
A-	360	90%
B+	348	87%
B	332	83%
B-	320	80%
C+	308	77%
C	292	73%
C-	280	70%
D+	268	67%
D	252	63%
D-	240	60%
F	239 and below	< 60%

Homework: There will be a short homework assignment due each day of class. These assignments, listed on the course Moodle site, must be completed individually. You must be present and on-time to class in order to grade your homework answers and, thereby, get credit for the assignment. Each student will have their lowest three (3) homework scores dropped from their total, so there will be no make-up homework (either before or after the due date/time). While homework constitutes 15 percent of your course grade, because assignments are collected daily, each homework comprises less than one-half of one percent (< 0.5%).

I will also suggest numerous practice problems that will not be collected or graded. Additionally, you should make a good-faith effort to attempt most (if not all) of the problems in the Mankiw text as they will closely resemble the problems you will need to master in the homework and on the exams. I will post answers to these problems on Moodle after some time (so that you have sufficient time to complete them on your own first). I strongly encourage you to discuss the problems in groups, come see me in my office hours, and/or raise related questions in class. Memorizing the answer key, if that is even possible, is not a good substitute for doing the problems on your own.

Exams: There will be three exams during this semester. The first two will be administered in class on the days listed in the syllabus. The third exam will be given during your class' final exam timeslot. These dates will not change, so write them on your calendar now and plan around them. If you are unable to take one of the midterm exams at the scheduled time because of a mandatory intercollegiate competition, please see me before 3:30 p.m. on **Friday, August 26**. We will arrange for a time when you can take the exam *before* the scheduled exam time with which you have a conflict.

In the case of severe illness or death of a family member, please notify me of your situation (in advance unless it is an extreme and unforeseen emergency), and I will arrange for a later make-up exam which will be more of an essay question format.

On the final page of this document, the tentative course outline provides a useful estimate of the material we will cover before each exam. The material in topics 1 through 3 will be included on the first test. The second test is not explicitly comprehensive, but will build on previous material. It will test your knowledge of producer theory (topics 4-6) and potential sources of market failure (topic 6) as well as The Fatal Equilibrium. The final exam will **not** be comprehensive but instead will focus on macroeconomics (topics 7-10).

Final Exam: The final exam in this course, what we'll call Test 3 since it is similar in format and weight to the course's other exams, is not comprehensive. It will take place during the scheduled exam period for your section in our regular classroom, Buckman 334:

Section 1 Saturday, December 10 at 1:00 p.m.

Section 2 Tuesday, December 13 at 1:00 p.m.

You may take the exam at either of these times *with permission*. (Permission will be granted by the professor based on availability of space in the classroom.) If you wish to take the final exam with the other class, email me before **Friday, December 2**.

Grading Questions: I will make every effort to grade exams consistently across students. I also go to great lengths to return exams as quickly as possible, so that you can benefit from the feedback they provide. Midterm exams will be graded and returned in the very next class period. Questions about the grading of the midterms must be raised *in writing* by noon on the Monday following the exam, October 3 and October 31, respectively.

The Honor System: I take the Honor Code seriously. I trust that students in this class will be truthful in their dealings with me and will not cheat on their assignments and exams. In the event that one of you observes an incidence of cheating, I assume you will report the violation to a member of the Honor Council.

Plagiarism: According to the Honor Council Constitution, "Plagiarism is an act of academic dishonesty. A student must not adopt or reproduce ideas, words, or statements of another person without appropriate acknowledgment."

Topical Course Outline

The following is intended to provide an overview of the structure and themes of the course. And, while the class is not “taught from the book,” I have listed the corresponding text material for your reference and use in long term planning. Actual daily reading assignments will be made well in-advance on the class Moodle site.

<u>Topic</u>	<u>Related area of textbook</u>
1. <i>The Central Economic Problems and the Approach of Economics</i>	Chapters 1-3
2. <i>Allocation by Price: An Introduction to the Theory of Supply and Demand</i>	Chapters 4-6
3. <i>Welfare Economics and Efficiency Criteria</i>	Chapters 7 and 8
4. <i>The Theory of Supply: The Behavior of Firms</i>	Chapter 12
5. <i>When the Market "Works": Perfect Competition</i>	Chapter 13
6. <i>Opportunities for Market "Failure": Monopoly, Externalities and Public Goods</i>	Chapter 14 Chapters 10 and 11
7. <i>Introduction to the Macroeconomy: Goals and Measurement*</i>	Chapters 15 and 16 Chapter 20
8. <i>Fiscal Policy*</i>	Selections from 17, 18 and 24
9. <i>Monetary Policy*</i>	Chapter 21

**Note: Throughout the semester the textbook should be regarded as mainly supplemental to the material covered in class. However, during the final three sections of the course it is even more crucial to view the lecture/in-class material as the material that must be mastered in this portion of the course and the primary signal of what may appear on the final test.*