

# EC110 Principles of Economics

## (Fall 2019)

Seminar Leader: Marcus Giamattei

Course Times: Mon & Thu 15:45-17:15

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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. The course is amended by interactive experiments to experience the models.

### 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 "Economics" by Mankiw/Taylor (4<sup>th</sup> edition; you can also buy the 3<sup>rd</sup> rev. ed. as imperfect substitute) and required readings will mostly be from this book (other editions of the book "Principles of Economics" by Mankiw may be used as even less perfect substitutes). Additional reading will be provided during the course. This additional reading will be based on the freely available webbooks CORE Econ and Econclassexperiments.

#### 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. The two absences are meant as **insurance policy for you** in case of illness or other unforeseen yet important events outside of the classroom.

#### 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. Absences on days of

quizzes result in failing that quiz (no make-up quizzes; you are protected by the policy that the worst quiz will not count towards your final 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, we 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, active participation and professionalism 20%

Quizzes and short problem sets 20%

Mid-term exam 30%

Final examination 30%

### Schedule

Fall 2019 classes start on Monday, September 2 and run until Friday, December 20 with fall break planned from Monday, October 28 – Sunday, November 3. Completion week is from December 16-20. Attendance is mandatory during completion week and the final will be scheduled during this week.

Scheduled class times are available online under the relevant course heading:

<https://berlin.bard.edu/academics/courses/>

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 in Google classroom. The password to join google classroom will be handed out in class.

	Topic	Reading Mankiw/Taylor
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		(if not noted otherwise)
Week 1 Sept 2 & Sept 5	Introduction/The principles of economics	Ch 1
Week 2 Sept 9 & Sept 12	Introduction/The principles of economics	Ch 1
Week 3 Sept 16 & Sept 19	How economists think	Ch 2
Week 4 Sept 23 & Sept 26	How markets work I: Supply and demand Econ Class Experiment: Apple Market	Ch 7
Week 5 Sept 30 <i>No class on Oct 3</i>	How markets work II: Price controls, taxation Econ Class Experiment: Taxes	Ch 8
Week 6 Oct 7 & Oct 10	How markets work III: Markets and Welfare	Ch 7
Week 7 Oct 14 & Oct 17	How markets work III: Markets and Welfare	Ch 7
Week 8 Oct 21 & Oct 24 Oct 28 & Oct 31	Midterm exam, Oct 21 in class The economics of the public sector Fall break	Ch 10-11
Week 9 Nov 4 & Nov 7	The economics of the public sector Econ Class Experiment: Externalities	Ch 10-11
Week 10 Nov 11 & Nov 14	Inequality	Ch 18
Week 11 Nov 18 & Nov 21	Firm behaviour I: Costs and production	Ch 6
Week 12 Nov 25 & Nov 28	Firm behaviour II: Perfect Competition	Ch 6
Week 13 Dec 2 & Dec 5	Gains from trade	Ch 19
Week 14 Dec 9 & Dec 12	From micro to macro – fallacy of composition	tba
Week 15 Completion week	FINAL EXAMINATION: tba.	

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

## Professionalism

Being a student is your full-time job and with it come a set of responsibilities and expectations, as with any other job. Maintaining a professional attitude towards your course of study is something that also prepares you for later work life. A professional attitude towards your studies is shown by coming to class on time, being prepared, being courteous to your teachers and fellow students. It is exhibited by writing your essays with care, actively participating in class, avoiding distractions (excessive bathroom breaks, using smartphones to check on irrelevant issues during class etc.), not missing classes except for the most dire of circumstances and in general by adapting to the rules of the course without trying to bargain for personal exceptions.

## Ethics/Academic honesty

A core value of the academy is truth and the pursuit thereof. Nothing can shake the foundations of this pursuit as much as academic dishonesty as it undermines the trust that is indispensable to it. This is

why I will not excuse any instance of academic dishonesty. Plagiarism, cheating during exams, copying homework assignments (or doing individual assignments with a classmate) all constitute violations of academic honesty and of the clause on “academic integrity” that each student has signed in the student handbook. They can lead to failing the course and will be reflected in the student’s record (having a record of academic dishonesty can make obtaining scholarships, achieving a study abroad place or admission to another program difficult if not outright impossible). If students fail to meet the expected standards of academic integrity, this will be dealt with under the Code of Student Conduct, Section III Academic Misconduct.

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