

Rose-Hulman Institute of Technology / Department of Humanities & Social Sciences**Winter Quarter 2011 – 2012 / SV151, Principles of Economics**Section 3: 5th hour (11:45 – 12:35), Crapo, G-310Section 4: 6th hour (12:40 – 1:30), Crapo, G-310

Professor:	Kevin Christ
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Course Web Site:	http://www.rose-hulman.edu/~christ/principles.htm
Textbook:	Mankiw, N. Gregory, <i>Essentials of Economics</i> , 6 th ed. (2012)

Course Description

This is a 1-quarter survey course covering essential elements of economics. While there are no formal prerequisites for this course, students should have a basic knowledge of calculus and an ability to use and interpret data and graphs (Mankiw's appendix to chapter 2 surveys the basic concepts). Students are encouraged to read widely and look for items in the daily news that relate to the subject matter of this course. The author of the textbook, Greg Mankiw, is an avid blogger. His blog is one of the most widely read economics blogs. The course website includes links to it, as well as links to three other economics blogs. Students who want to get the most out of this class will read these blogs regularly.

This course is required for the economics major and minor, and is suitable as a "Society and Values" elective. Furthermore, SV151 is a prerequisite for almost all other economics courses at Rose-Hulman.

Course objectives

- Improve economic literacy.
- Improve critical thinking and problem solving skills by using economic models and tools of analysis to explain economic relationships and evaluate economic arguments.
- Acquaint students with central features of the U.S. economy and its position in the global economy.
- Prepare students for further work in upper-level economics courses.

Broad Course Outline

Foundations (Weeks 1 to 3, chapters 1 through 7):

- Fundamental concepts and economics as a social science
- Demand, supply and equilibrium of individual markets
- Welfare analysis of markets

Microeconomics (Weeks 4 to 6, chapters 8 through 14):

- Market failures and policy implications
- Production, cost, and market structure
- Competitive markets and market power

Macroeconomics (Weeks 7 to 10, chapters 15 through 24):

- Business cycles, aggregate output, prices, and unemployment
- Long-term economic growth, saving and investment
- Asset markets and the monetary system
- Fiscal and monetary policy

Grading

Grade Component	Weight
Homework / Quizzes / Attendance*	10%
Essays (3)	30%
In-Term Exams (3)	30%
Comprehensive Final Exam	30%

*Policy toward attendance:

- 4 unexcused absences → forfeiture of H/Q/A credit
- 6 unexcused absences → additional 1-letter grade reduction
- 8 unexcused absences → failure of course

Score	Grade
90% or better	A
87% to 89%	B+
80% to 86%	B
76% to 79%	C+
70% to 76%	C
65% to 69%	D+
60% to 65%	D
Less than 60%	F

General Course Policies

- This syllabus provides a *basic* schedule and outline for the course. Students should consult the course web site for a comprehensive and up-to-date schedule, and for important links to course material.
- Class sessions will be a combination of lectures, discussion, and problem solving sessions. Course content will come primarily from the assigned textbook, although internet content and outside readings may be incorporated where appropriate. Some emphasis will be placed on understanding and analyzing current economic issues. Basic PowerPoint slides used in class will be posted on the course web site each week.
- The text should be viewed as a supplement to classroom lectures and discussions. Classroom time will be much more productive if students are familiar with textbook material (especially key terms) prior to the class for which a reading is assigned.
- Homework assignments will be posted on the course web site, and will be due on the day for which they are posted. Solutions will be discussed in class only if time permits. Homework will be due at the beginning of the class period for which it is assigned, and late assignments will not be accepted.
- Unless explicitly informed to the contrary, students are responsible for all assigned material. This includes material that is linked to the course web site in the “Slides and Other Links” column of the course schedule.
- The professor reserves the right to amend the course policies and schedule, and/or to add/delete items or topics. There will, however, be no individual extra credit opportunities.
- Any academic misconduct will result in a failing grade for the course.

Exams

Exams may have multiple choice and true/false/explain questions, as well as numeric, graphing, and short answer problems. Sample exams will be posted on the course web site.

With a written explanation, approved in advance by the professor, allowance may be made for a missed exam. In some cases, an exam may be administered at an alternate time in the Student Learning Center, or other examinations may be weighted more heavily. Such allowances will only be made in extreme situations (e.g., severe illness confirmed by student nurse or a doctor) or in the case of pre-approved Institute-sponsored events. The final examination must be taken at the assigned time.

Essays

During the term, students will write three short essays on specific topics to be announced at a later date. These essays will be due on specified dates during the term and will be returned, with comments, to students. Final versions of all three essays will be due on Monday, February 13.

Tentative Course Schedule[†]

All chapter references here are to the 6th edition of the Mankiw text. If you are using an earlier edition, you still are responsible for the content of the chapters that are listed here on the days for which they are listed.

Date			Topic	Reading Assignment
Week 1	M	11/28	Foundations	Chapter 1
	T	11/29	Foundations	Chapter 1 Chapter 2 Appendix
	R	12/1	Economics as a Social Science	Chapter 2
	F	12/2	Specialization and gains from trade	Chapter 3
Week 2	M	12/5	Demand and Supply	Chapter 4 (65 – 76)
	T	12/6	Equilibrium	Chapter 4 (77 to end)
	R	12/8	Elasticity – Price Elasticity of Demand	Chapter 5 (89 – 97)
	F	12/9	Elasticity – Other Elasticities	Chapter 5 (97 to end)
Week 3	M	12/12	Markets and government policy – restrictions	Chapter 6 (111 – 121)
	T	12/13	Markets and government policy – taxes	Chapter 6 (121 to end)
	R	12/15	Welfare analysis of markets	Chapter 7
	F	12/16	Examination 1	
Week 4	M	12/19	Application: Taxation	Chapter 8
	T	12/20	Application: International Trade	Chapter 9
Holiday Break, December 21 to January 3				
Week 5	R	1/5		Chapter 9
	F	1/6	Externalities	Chapter 10
	M	1/9	Public Goods	Chapter 11
	T	1/10	Production	Chapter 12 (235 – 241)
Week 6	R	1/12	Costs	Chapter 12 (241 to end)
	F	1/13	Competitive markets	Chapter 13 (255 – 265)
	M	1/16	Competitive markets	Chapter 13 (265 to end)
	T	1/17	Market power and public policy	Chapter 14 (275 – 289)
Week 7	R	1/19	Market power and public policy	Chapter 14 (290 to end)
	F	1/20	Examination 2	
	M	1/23	Introduction to macroeconomics	Chapter 23, (487 – 490)
	T	1/24	Aggregate output	Chapter 15
Week 8	R	1/26	Prices, Inflation, Deflation	Chapter 16
	F	1/27	Resource utilization / Unemployment	Chapter 20
	M	1/30	Production and Long-Run Economic Growth	Chapter 17
	T	1/31	Savings and investment	Chapter 18
Week 9	R	2/2	Present value discounting and risk	Chapter 19 (393 – 400)
	F	2/3	Asset markets	Chapter 19 (400 to end)
	M	2/6	Monetary system	Chapter 21 (435 – 443)
	T	2/7	Money and inflation	Chapter 21 (443 to end)
Week 10	R	2/9	Review / Catch up	Chapter 22
	F	2/10	Examination 3	
	M	2/13	Aggregate Demand and Supply	Chapter 23 (490 to end)
	T	2/14	Monetary Policy	Chapter 24 (525 – 535)
	R	2/16	Fiscal Policy	Chapter 24 (535 – 541)
	F	2/17	Current Debates	Chapter 24 (541 to end)
Review Session: Saturday, February 18, time and place to be determined				
Final Examination: Monday, February 20 at 8:00 a.m.				

[†]Changes may be announced in class and posted on the course website. The schedule on the course website will be the most up-to-date schedule for the course.