



# AGNES SCOTT COLLEGE

THE WORLD FOR WOMEN

## Econ 101 – Economic Issues and Policy

Fall 2010

Section C, MWF 1:00-1:50 a.m.

Dr. Patricia Higinio Schneider

---

### Course Objectives

This course provides an introduction to economics. The goal of the course is to learn how to apply economic analysis to a wide variety of problems, or to “think like an economist.” This method of analysis can be applied to innumerable questions and issues in everyday life. The course focuses on understanding economic choices made by individuals, households and firms as well as providing an introduction to economic policy decisions made by governments and central banks. The course is based on the market system: how markets work, when and why they fail, and what can be done to make them work better. The course also focuses heavily on public policy and current economic issues. Students will gain an understanding of whether and how governments should use economic tools to attempt to improve people’s lives.

This course serves as a foundation for further courses in economics. The material covered here and the economic perspective introduced in this course is complementary to—and sometimes in major opposition with—material and perspectives in some other disciplines, such as law, sociology, political science, and psychology.

### Textbook

The required textbook for the class is Paul Krugman and Robin Wells’s Economics, 2nd edition (ISBN 978-0-7167-7158-6). The book should be available for purchase in the bookstore. Students must buy the book and should buy this edition. Purchasing a copy over the Internet is a risky venture, and not having a copy of the book or having the wrong edition is not an excuse for not having done the problem sets or being prepared for class. Any additional readings will be handed out in class or posted on Moodle in advance of the day they are covered. The class sessions will assume that you have read the related material and done the problem sets in advance of class. In particular, I will start most classes with a discussion posted on moodle about a specific news article, video, or radio broadcast related to the material we are going to cover in lecture.

There is a website to accompany the book at [http://bcs.worthpublishers.com/krugmanwells\\_econ2/default.asp](http://bcs.worthpublishers.com/krugmanwells_econ2/default.asp). This site (from the publisher) has activities, simulations, and self-quizzing to help you prepare for exams. There are also separate study guides for Microeconomics and Macroeconomics that you might want to purchase from an Internet bookseller if you want additional practice. A copy of those study guides is available on reserve at the library for student use.

This course has a website at [moodle.agnesscott.edu](http://moodle.agnesscott.edu). Students should register for the course within the first week using the enrollment key **econ101c**. Problem sets and updates for the course will be posted there.

Note that **students must take the Econ 101 pre-test via the course's Moodle website before Friday, September 3**, in order to receive a final grade for the course. Students who do not do so should expect to fail the course. The password for the pre-test is TEST. Students do not receive a grade on the test. The department simply uses it to assess how much economics students know at the beginning of the semester.

### **Grading Policies**

Grades are based on the following:

Two of three midterms	40% (20% each)
Comprehensive final	30%
Ten problem sets	30% (3% each)

Due dates for the problem sets and exam dates are given below. I will drop the lowest midterm exam grade for students who take all 3 midterms.

**Problem sets:** Students are encouraged to work on the problem sets with classmates. However, simply copying someone else's answers is in violation of the spirit of the college's honor code. Each student must turn in her own answer set and indicate on it which student(s) she worked with, if any. I suggest first trying the questions on your own and then working with a classmate or two. Students are encouraged to visit me or the economics tutors for help on the problem sets after making a good faith effort on their own.

**Tutors:** The economics department has free tutors available to help students. The tutors are in the Math & Economics Learning Center, Buttrick G12. Their hours will be posted on a link on the course's Moodle page. The tutors will not do the problem sets for students but will answer specific questions. Students should have already attempted to do the problem sets before meeting with a tutor. The tutors are not responsible for any errors on a student's problem set answers that she turns in to be graded.

**Exams:** The exams will be based primarily on the lectures and on the problem sets, not on the textbook. Simply reading the textbook right before an exam in lieu of attending class and doing the problem sets is likely to have very negative consequences for your grade. That said, in my 10+ years of teaching economics I have seen few students who do not intensively study from the book do well.

Students may not use their own calculator for an exam. Students may use one of the calculators provided by the economics department. This policy is intended to make sure than no student has an advantage of having a "better" calculator and to avoid use of cell-phone calculators. Students may not use a cell phone as a clock during exams. Please make sure cell phones are turned off before class and before exams.

If you think a mistake was made in grading your exam, please discuss it with me outside of class during office hours or by appointment as soon as possible. Always check that your points were added up correctly. I reserve the right to regrade your entire exam, not just the problem in dispute.

If you require accommodation on exams, please have the Office of Academic Advising let me know as soon as possible. Students requiring extra time must schedule their exams with the Office of Academic Advising.

The final exam will be administered using the self-scheduled system. **Please take the exam during the first three days of exams, by the end of Saturday, December 11.** I reserve the right to give students who fail to do so a 0 on the final exam.

**Extra Credit:** The extra credit opportunity for this course is the “Economics in the News” project. An explanation is available on the course’s Moodle site.

### **Lateness and Absences**

**Lateness:** Students should make every possible effort to be on time for class. If a student is late, she should come in quietly and sit in the back. She should wait until the end of class to receive any materials that were returned or given out at the beginning of class. The student is responsible for any missed information. I take attendance at the beginning of each class. Students who arrive after that but within the first half of the class period are considered late. Three late arrivals equals one absence.

**Absences:** Students are expected to attend all class sessions of their scheduled section. Students should not attend another section of Econ 101. Each student gets 3 “free” absences; after that, the final grade will be lowered by 5 percentage points for each absence. I reserve the right to fail any student who misses more than 6 class sessions regardless of the reason for the absences. There are no “excused absences.” Students are responsible for any information covered in classes they miss.

**Late Assignments:** Problems sets are to be turned in at the beginning of class on the date that they are due or earlier. There are no excuses for late assignments to receive full credit. The usual penalty for late assignments is that they receive at most half credit. After 3 days late (if I do not receive it by Monday for a problem set due on Friday), no credit will be given. Students who must miss a class when a problem set is due should turn it in early or arrange for another student to turn it in.

**Missed Exams:** Only under extraordinary circumstances should students miss a scheduled exam. Minor illness is not an excuse. A student should contact me at the earliest opportunity if she must miss an exam. If a student must miss an exam because of an athletic or academic event or a religious holiday, she may take the exam early; under no circumstance may any student take an exam late. A student who misses a midterm exam will have that exam count as the dropped midterm exam grade.

### **Professor Contact Information**

Office: Buttrick G-29A  
Office hours: Tuesdays and Wednesdays 2:00-3:30 p.m. and by appointment; if my door is open, please feel free to come in  
Email address: pschneider@agnesscott.edu  
Phone numbers: work: 404-471-6139  
home: 404-549-8445 (please do not call after 9 pm)

### **Tips and Suggestions**

Courtesy toward your instructor and your fellow students is expected. This includes not disrupting class by being late, having your cell phone go off or talking to other classmates during lecture. Please do not text message, knit or eat during class. Having a beverage is fine.

I cannot stress enough how much I support ASC's honor code and frown on cheating on exams and on copying problem sets. I reserve the right to fail any student whom I believe cheated on an exam or copied a problem set in addition to potentially utilizing the honor court process. Students should pledge all of the work for this course.

**Tentative Schedule (any revisions will be posted on Moodle)**

<b>Day</b>	<b>Date</b>	<b>Chapter</b>	<b>Topic</b>
Wed	Aug 25	Introduction	Intro to economics and the course
Fri	Aug 27	1 and Appendix to 2 (skip 48-53)	First principles and graphing
Mon	Aug 30	2	Opportunity cost and PPFs
Wed	Sept 1	2	Absolute and comparative advantage
Fri	Sept 3	3	Supply and demand; <b>must take pre-test online before today; PS 1 due</b>
Mon	Sept 6		<i>No class: Labor day holiday</i>
Wed	Sept 8	3	Supply and demand
Fri	Sept 10	4	Producer and consumer surplus; <b>PS 2 due</b>
Mon	Sept 13	4	Producer and consumer surplus
Wed	Sept 15	5	Price and quantity controls
Fri	Sept 17	6	Elasticity; <b>PS 3 due</b>
Mon	Sept 20	6	Elasticity
Wed	Sept 22	7	Taxes and subsidies
Fri	Sept 24	7	Taxes and subsidies; <b>PS 4 due</b>
Mon	Sept 27		Review for exam
Wed	Sept 29		<b>Midterm 1</b>
Fri	Oct 1	9 (pp. 225-238)	Thinking like an economist
Mon	Oct 4	12 (pp. 303-319)	Costs
Wed	Oct 6	13 (pp. 329-344)	Market structure: perfect competition
Fri	Oct 8	14 (pp. 355-372)	Market structure: monopoly; <b>PS 5 due</b>
Mon	Oct 11	17 (pp. 433-450)	Externalities
Wed	Oct 13	18	Public goods; <b>PS 6 due</b>
Fri	Oct 15		<i>No class: Fall break</i>
Mon	Oct 18		Review for exam
Wed	Oct 20		<b>Midterm 2</b>
Fri	Oct 22	22	Overview of macroeconomics; <b>first extra credit opportunity due</b>
Mon	Oct 25	23	Tracking the economy
Wed	Oct 27	25	Growth
Fri	Oct 29	28	AS & AD; <b>PS 7 due</b>
Mon	Nov 1	28	More AS & AD
Wed	Nov 3	28	Yet more AS & AD
Fri	Nov 5	30 (pp. 797-811)	Money; <b>PS 8 due</b>
Mon	Nov 8	30 (pp. 812-825)	Central banking
Wed	Nov 10	31 (pp. 842-851)	Monetary policy
Fri	Nov 12	24 (pp. 615-629)	Employment and unemployment; <b>PS 9 due</b>
Mon	Nov 15	24 (pp. 630-636) 32 (pp. 859-866 and 879-882)	Inflation, disinflation and deflation
Wed	Nov 17		Review for exam

Fri	Nov 19		<b>Midterm 3</b>
Mon	Nov 22	8 (pp. 195-211)	Trade
Wed	Nov 24		<i>No class: Thanksgiving break</i>
Fri	Nov 26		<i>No class: Thanksgiving break</i>
Mon	Nov 29	8 (pp. 211-220)	Trade barriers
Wed	Dec 1	34 (pp. 920-928)	Flexible exchange rates
Fri	Dec 3	34 (pp. 928-936)	Fixed exchange rates; <b>PS 10 due</b>
Mon	Dec 6		Review for final exam; <b>second extra credit opportunity due</b>
Sat	Dec 11		Must take the final exam by today