

Economics 111 – 03A

Introduction to Economics

COURSE DESCRIPTION

This is an introductory course in economics. By the end of the term, students will be able to analyze newspaper and magazine articles that involve economic concepts, understand the interactions among consumer choices, business decisions and government policies, and interpret the jargon used by economists and those who write about economic issues. This course will also prepare you to take additional classes in the Department of Economics.

MEETING TIME AND PLACE

9:30-10:25 on Mondays, Wednesdays, and Fridays
Main 320, CSB

CONTACT INFORMATION

Phone: 363-5683

E-mail: ljohnston@csbsju.edu

OFFICE HOURS

Monday and Wednesday: 2:15-3:15 in Main 333

To make an appointment at another time, please contact Stacy Penk (spenk@csbsju.edu)

ECONOMICS DEPARTMENT STUDENT LEARNING GOALS AND OBJECTIVES

Goal 1: Students of economics will be able to apply economic theory to understand economic issues and policies by:

- 1.1: Analyzing interactions between human values and economic life;
- 1.2: Demonstrating a knowledge of and ability to apply appropriate analytical tools; and
- 1.3: Recognizing the diversity of methodologies practiced in conducting economic analysis.

Goal 2: Students of economics will be able to evaluate evidence bearing on those economic issues and policies by:

- 2.1: Identifying, locating, and assessing the necessary quantitative and non-quantitative information, facts and arguments; and
- 2.2: Employing both quantitative reasoning and computing skills where appropriate.

Goal 3: Students of economics will be able to communicate effectively the results of their economic analysis through:

- 3.1: Clear writing, appropriately supported and documented;
- 3.2: Effective participation in discussion; and
- 3.3: For majors, polished oral presentations.

PREREQUISITES

There are no formal prerequisites for this course. I will presume that you can work with basic mathematical tools (e.g. graphs, simple algebra) and both word processing and spreadsheet programs (e.g. Microsoft Word and Excel).

BOOKS

The textbook for the course is:

Dirk Mateer, Lee Coppock, and Brian O’Roark, *Essentials of Economics*. W. W. Norton, 2016.

We will use one additional book this semester:

John Micklethwait and Adrian Wooldridge, *The Company: A Short History of a Revolutionary Idea*. Modern Library, 2005.

Both books are sold at the CSB bookstore. The textbook is available in a variety of formats (hardcover, loose leaf, and ebook.) You do *not* need to register for the InQuizitive online system.

ADDITIONAL READINGS AND CLASS NOTES

All additional readings and class notes will be posted at www.louisjohnston.com. Click on Classes, then Economics 111.

GRADES IN THIS COURSE

The [Academic Catalog](#) states, “Intellectual achievement is more important than grades. Grades, however, are necessary for advisory purposes, for determination of the quality of academic achievements and for transfer of credit to other institutions. Grades are designated by letters. In order to compute averages, numerical values called honor points have been assigned to the grades as follows:”

Letter grade	Interpretation	Honor points for each credit
A	Excellent	4
AB		3.5
B	Good	3
BC		2.5
C	Satisfactory	2
CD		1.5
D	Minimum Passing	1
F		0

I will apply this scale AND the interpretation of each grade to all of your work.

HOMEWORK ASSIGNMENTS

Economics is a subject that you must practice in order to learn, so homework problems are an essential part of this course. I will encourage this process by basing 15% of your course grade on homework. I usually assign homework for every class meeting unless we are having a quiz or exam.

You will be assigned problems from the textbook and/or questions that I have written. You are to solve each problem, writing out your solution (including your reasoning) along with any remarks or questions about the problems that you would like me to answer. This last point obviously does not preclude you from asking questions; in fact, I hope it will encourage you to do just that. If something is unclear, ASK!

Each assignment has a maximum score of 2 points. I will look to see if you have done all of the assigned problems, regardless of whether you did them correctly or not. If you do this, you will receive 2 points for the assignment. If you do not do all of the assigned problems, you will receive either 1 or 0 points depending on how many problems you answered.

Additional notes about homework:

- **ALL HOMEWORK MUST BE TYPED.** I suggest you use this opportunity to learn the features in Microsoft Word that allow you to type up equations (Insert > Equation in Word) and draw graphs (Insert > Shapes in Word). In addition, some assignments are easier to complete if you use a spreadsheet (e.g. Microsoft Excel.)
- **I WILL NOT ACCEPT LATE ASSIGNMENTS** unless you have discussed it with me in advance.
- You should print a copy of your homework and bring it to class since we will often base class work on that day's assignment.

DATA ANALYSIS PROJECT

An important skill in economics (and in life, more generally) is to use quantitative information to tell a coherent story. To help develop this skill, you will work on a data analysis project. The project will involve selecting a topic, collecting relevant data, analyzing the data, and writing up your conclusions. This project will count for 15% of your course grade.

Complete details of the project will be available on the course website.

QUIZZES

There will be two quizzes. They will be given on September 14 and October 31. These will be 25 minute, in-class, closed-book quizzes, consisting of multiple choice questions. The two quizzes together will count for 15% of your course grade.

The first quiz will cover material from August 29 through September 12 and the second quiz will cover material from October 10 through October 28.

EXAMS

There will be two midterm exams and a final exam. The midterms will be given on October 7 and November 18. These will be in-class, closed-book exams consisting of true/false/uncertain questions and problems, none of which will be multiple-choice. The two exams together will count together for 35% of your total grade.

The first exam will cover material from August 29 through October 5 and the second exam will cover material from October 10 through November 16.

The final exam will be given on Thursday, December 15, at 10:45 pm, and will count for 20% of your total grade. It *will* be a comprehensive exam.

GRADING OPTIONS

Some students may choose to take this course on a satisfactory/unsatisfactory (S/U) basis rather than for a letter grade. [The college policy regarding who may or may not take the course S/U is in the current Academic Catalog.](#) You *must* inform me that you intend to take the course S/U by 5 p.m. on Friday, April 29.

ACADEMIC MISCONDUCT

I will apply [the institutional policy on academic misconduct](#) in this course.

CLASS CANCELLATION

I may need to cancel class during the semester due to weather, illness, etc. If class is canceled, there will be a note in your e-mail telling you that class is canceled. If you arrive at our classroom and find a note written on the board saying that class is canceled, CHECK YOUR EMAIL to confirm this. DO NOT ASSUME THAT THE NOTE IS CORRECT!

DISABILITY INFORMATION

The colleges have support systems in place for those students who have an official diagnosis for a Learning Disability or a Physical Disability. If a student has had a diagnosis for a specific Learning Disability or a Physical Disability, [Student Accessibility Services](#) (SAS) will provide me with information on current CSB|SJU accommodations. If a student volunteers information regarding a Learning or Physical Disability I will contact SAS.

HUMAN RIGHTS POLICY

[CSB|SJU](#) is “committed to creating and maintaining an environment in which all members of the community are aware of and respect the rights and human dignity of every other member. Discrimination and harassment based on race, religion, color, national origin, sex, sexual orientation, age, marital status, disability, familial status, status with regard to public assistance, or other legally protected category or characteristic are reprehensible and are antithetical to the mission of these institutions. CSB and SJU have zero tolerance for unlawful discrimination and harassment.”

SEXUAL MISCONDUCT POLICY

“The purpose of this [Policy](#) is to maintain an environment that is free from the physical and emotional threat of sexual misconduct, including sexual harassment, sexual assault, and other forms of sexual violence. The College of Saint Benedict (CSB) and Saint John’s University (SJU) have zero tolerance for sexual misconduct in any form.”

CLASS CALENDAR

Date	Topic	Reading from <i>Essentials of Economics</i>	Additional reading, audio, and video
August 29	Introduction to the course		
August 31	Thinking like an economist, understanding how economists think	Chapter 1 Chapter 2 (pp. 24-27)	

Part I: Measuring and monitoring the economy			
September 2 September 5	GDP and its components	Chapter 10 (skip Appendix 10A) Chapter 11 (pp. 308-322)	
September 5 September 7 September 9	The price level, inflation, and interest rates	Chapter 11 (pp. 330-341) Chapter 14 (pp. 421-424)	Reading: Real GDP: Adjusting GDP for Price Changes (see website) Video: The Weakening Ugandan Shilling Reading: Most People in the World Have No Idea How to Manage Their Money
September 9 September 12	Labor market measurement: employment and unemployment	Chapter 11 (pp. 323- 330)	
September 14	Quiz #1		
Part II: Economic growth and international trade			
September 14 September 16 September 19	Economic growth: Resources, technology, and productivity	Chapter 13	Video: 200 countries, 200 years, 4 minutes
September 21 September 23	Lab sessions: data visualization project		
September 26 September 28	Opportunity costs and the production possibilities frontier	Chapter 2 (pp. 22-33)	
September 30 October 5	International trade and standards of living	Chapter 18 (pp. 530- 535) Chapter 2 (pp. 33-41) Chapter 18 (pp. 536- 540)	
October 7	Exam #1		
Part III: Demand, supply and competitive markets			
October 10 October 12	Supply and demand: The basics	Chapter 3 (including Appendix 3A)	Audio: The Pickle Problem

October 12 October 14	Supply and demand: Applications	Chapter 4 (pp. 106-122)	
October 17	Lab session: data visualization project		
October 19	Price elasticity	Appendix 3B	
October 20	Clemens Lecture, 8 pm, Stephen B. Humphrey Auditorium, SJU David Autor, MIT Department of Economics		
October 21	Special guest: David Autor	Reading: Skills, Education, And The Rise of Earnings Inequality Among the "Other 99 Percent"	
October 24 October 26	Measuring the efficiency of markets: economic surplus and deadweight losses	Chapter 4 (pp. 94-106) Chapter 9 (pp. 252-265)	
October 26 October 28	Public goods and externalities	Chapter 9 (pp., 266-275)	Reading: Paper or plastic? How disposable bag bans, fees and taxes affect consumer behavior Reading: Alcohol taxes in the US Video: The Syntax of Sin Taxes: Putting It Together to Improve Physical, Social, and Fiscal Health
October 31	Quiz #2		
Part IV: Companies in theory and practice			
October 31 November 2	Business costs and production	Chapter 5 (pp. 130-142)	Video: Secrets of the potato chip factory Reading: Micklethwait and Wooldridge, Introduction
November 4 November 7	Perfectly competitive firms in the short run	Chapter 5 (pp. 142-153)	
November 9	Perfectly competitive firms in the long run	Chapter 6 (pp. 165-171)	Reading: Just Another Factory Closing
November 11 November 14 November 16	Companies across time and space	Chapter 6 (pp. 171-190)	Reading: Micklethwait and Wooldridge, Chapters 1 through 7 Reading: The Creed of Speed
November 18	Exam #2		

Part V: Business cycles			
November 21	What are business cycles?	Chapter 10 (review), Chapter 12 (pp. 346-355)	
November 22 (not a class meeting)	Data visualization project due		
November 28 November 30 December 2	Modeling business cycles: Aggregate demand and aggregate supply	Chapter 12 (pp. 355- 378)	
December 5 December 7	Money and monetary policy	Chapter 15 (pp. 444- 455) Chapter 16	Reading: In Prison, Ramen is the New Cigarettes Video: How Interest Rates Are Set: The Fed's New Tools Explained
December 9 December 12	Fiscal policy: government spending, taxes and government budgets	Chapter 17	
December 15	Final Exam: 10:45 am		