

# **Economics 101**

## **Principles of Economics**

Spring 2019

**Instructor:** Professor Gang Wang

**Lectures:** MWF 11-11:50am, Morgan 201

**Office:** Morgan 206

**Office Hours:** MW 2-4pm, or by appointment

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**Office Hours:** TBA

**Textbook:** Principles of Economics, 7<sup>th</sup> Edition, Frank, Bernanke, Antonovics, Heffetz (McGraw Hill Education)

### **Overview:**

Economics is the study of how a society decides how to use its limited resources. This course will introduce you the ways economists study the decisions people and firms make and the implications of those decisions. You will learn how to think analytically about the economic forces at work in a modern society by developing a set of analytical tools and practicing applying them to selected policy issues.

This course will introduce to you how to “think like an economist” and become a “economic naturalist”. We begin with the foundations that underlie all of economics. We then divide and explore the two broad divisions within economics: **microeconomics** and **macroeconomics**.

The word Microeconomics includes the root word "micro," meaning “small”. In this part of the course we will study economic decision-making by individual economic units (called “agents”). These agents include individual people, families, firms, and even individual countries. We will develop an analytical framework to study the behavior of individual economic agents within the context of the production, distribution, and consumption of

goods and services. Topics here will include (but are not limited to) supply and demand, government price restrictions, competition, monopoly, and problems of asymmetric information.

The second half of this course will explore Macroeconomics (“macro” = big). We will study aggregate economic concepts such as inflation, unemployment, GDP, interest rates, and money. These relate to each other through “business cycles” – irregular ups and downs in the U.S. and world economies. We will look at the ways in which governments may try to manage an economy: the tools of monetary and fiscal policy. The course topics also will be connected to the recent financial and economic crisis as appropriate.

**Prerequisites:**

None. Basic knowledge of algebra and graphs is helpful.

**Attendance:**

Attendance is required. I will take attendance frequently throughout the semester. You will earn the full 5% if you attend all the classes (excused absence needs my approval).

**Moodle:**

We will be using the Moodle course management system in this course. All assignments, handouts and links to websites and data sets will be posted on Moodle. It is your responsibility to check it on a regular basis.

**Homework:**

Homework will be assigned several times during the semester. I will assign paper and online homework problem sets. Homework is due at the due date specified on each assignment and late submission will not be accepted.

**Class Participation:**

During class time students will have an opportunity to earn credit points for class participation. Some class sections will begin with a short quiz based on the material discussed in the last class. During the class sections, I will give you some problems for you to work on in class. You can earn points when you provide appropriate answers for those questions and problems.

Tokens will be handed out to students who ask relevant questions or make substantive comments during class. The instructor will be the sole judge of the appropriateness of comments. Students can earn **up to two tokens per class session**. Students are free to participate after they have earned the maximum number of tokens for that class. Tokens must be turned in at the end of class. Each token worth 0.05 points.

Each point worth 1% of the final grade. If the total points you earn through the whole semester are over 5 (5% of the final grade), the extra points will be treated as bonuses.

### **Midterms:**

There will be **three midterm exams** offered during the semester. The lowest score of the three will be dropped when calculating your overall grade. Because we drop the lowest score, there will be no make-up exams given for any reason. If you miss one midterm exam, it will be the score that is dropped.

### **Grades:**

Average of two midterm exams (40%), Final Exam (30%), Homework Assignments (20%), Attendance (5%), and Class Participation (5%)

### **Letter Grade Distribution:**

>=93.00	A	[77.00, 79.99]	C+
[90.00, 92.99]	A-	[73.00, 76.99]	C
[87.00, 89.99]	B+	[70.00, 72.99]	C-
[83.00, 86.99]	B	[60.00, 69.99]	D
[80.00, 82.99]	B-	<=59.99	F

### **APEX:**

Students should inform me of documented, special accommodation needs with regards to taking exams, as early in the semester as possible. All discussions will remain confidential. Contact the Learning Center to arrange exam accommodations and to enquire about other student resources.

### **Ethics:**

Violations of the College's code of ethics (e.g. plagiarism or cheating) will be reported to the Dean of the Faculty and have the potential of serious punishment.

**Tentative Course Line:**

The following is a tentative outline of the topics covered in the course. All topics are subject to change and additional readings may be added. Check frequently the Moodle course page for revisions.

Date	Topics	Reading
1/14, 1/16	Introduction and basic economic concepts	Ch1
<i>No class on Friday, 1/18</i>		
<i>No class on Monday, 1/21 (MLK Day)</i>		
1/23, 1/25	Comparative advantage	Ch2
1/28, 1/30, 2/1	Supply and Demand, Elasticity	Ch3, 4
2/4, 2/6, 2/8	Demand, Perfectly competitive supply	Ch5, 6
<b>Exam 1 on Monday, 2/11</b>		
2/13, 2/15	Efficiency and exchange	Ch7
2/18, 2/20, 2/22	Imperfect competition	Ch8
2/25, 2/27, 3/1	Externalities and asymmetric information	Ch11, 12
3/4, 3/6	Public goods and tax policy	Ch14
<b>Exam 2 on Friday, 3/8</b>		
<i>Spring Break starts on Friday, 3/8 at 4:00pm</i>		
3/25, 3/27, 3/29	GDP and unemployment	Ch17
4/1, 4/3, 4/5	Price level and inflation	Ch18
4/8, 4/10, 4/12	Economic growth, saving	Ch19, 21
4/15, 4/17, 4/19	Investment, money and banking, the Fed	Ch21, 22
4/22	Monetary policy	Ch26
<b>Exam 3 on Wednesday, 4/24</b>		
<i>I.S. Symposium on Friday, 4/26</i>		
4/29, 5/1, 5/3	AD and AS, international exchange	Ch27, 28
<b>Final Exam on Monday, 5/6 at 9:00am</b>		