
ECON 119

Sections 01 & 03

Principles of Economics

Fall 2018
Section 01 – MWF 1:10pm-2:10pm
Room: Carnegie 304

Section 03 – MWF 2:20pm-3:20pm
Room: Carnegie 304

Instructor: Felix Friedt
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Office Hours: Monday 8:30am-9:30am,
Wednesday 9:30am-10:30am, or by appointment

Preceptors: Federico Chung;
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Center 204

Chris Stockwell;
E-Mail: cstockwe@macalester.edu
Office hour: Sundays, 7:00-8:00pm, CARN 304

Overview

The production, exchange, and consumption of goods and services have been cornerstones of human societies throughout history. Daily, we engage in these activities to satisfy basic needs and improve well-being. This introductory course offers a broad overview of the principles guiding individual decisions as well as aggregate economic systems that function to serve these goals.

This course is divided into three sections. 1) Students are exposed to some of the most fundamental models of economics, including the production possibilities frontier, the notion of comparative advantage, and market supply and demand. Our discussions will shape the students' economic thinking and point to one of the key issues in economics: the efficient allocation of scarce resources.

2) We study the behavior and conceptualize the decision making process of individual consumers and firms in the economy and investigate the sensitivity of these choices to different market structures. In addition to final products, we also consider markets for factors of production (labor, natural resources, etc.).

3) In contrast to these microeconomic topics, we also focus on macroeconomic issues, such as national income, the inflation rate, or the unemployment rate, and explore the connections between them. We consider the drivers of economic growth, causes of business cycles, and the role of fiscal and monetary policy in determining these key macroeconomic variables.

Course Outline

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|-------------------------------------|-----------------|
| 1. Part 1: Fundamental Models | Chapters: 1-10 |
| 2. Part 2: Consumer and Firm Choice | Chapters: 13-21 |
| 3. Part 3: Macroeconomics | Chapters: 23-33 |

Moodle

All course materials will be distributed through the Moodle course website, which can be found at <https://moodle.macalester.edu/>. Resources that will be posted on Moodle include, but are not limited to, readings, presentation slides, homework assignments, answer keys, practice exams, and grades. Announcements made via email and/or adjustments made in Moodle should be considered modifications to this syllabus.

Required Text Book

- G. N. Mankiw. *Principles of Economics*. Cengage Learning. 8th Edition.

Important Dates

September 14th, 2018

Last day to drop/add/audit

October 8th, 2018

Exam #1

October 11th, 18th, Nov. 1st, 8th, 2018

CDC Lunches

November 9th, 2018

Exam #2

Monday, December 17th, 2018

Final Exam – 4:00PM – 6:00PM

Office Hour Policy

My office hours are specific times set aside for you. You are welcome to stop in during these hours to ask any questions or discuss any material from the course. If you cannot make my office hours and are uncomfortable just dropping by or would like to make sure I will be in my office, please e-mail me and we can set up an appointment.

Learning Outcomes and Goals

The assessment office at Macalester has published six specific learning goals that each student should achieve by the time they graduate. This table serves as a reference guide connecting the most important individual learning outcomes of this course to the course learning goals and overarching Macalester learning goals.

Course Learning Outcomes (Students will be able to)	Course Learning Goals (Students will know)	Macalester Learning Goals	
Derive the production possibility frontier and connect it to the concept of opportunity cost	The structure of economic modelling as well as the fundamental models of micro- and macroeconomics	Think Critically and Analyze Effectively	
Understand the concept of comparative advantage and distinguish it from absolute advantage			
Evaluate the benefits from trade based on the comparative advantage			
Interpret and analyze current events and connect them to the micro- and macroeconomic theories			
Evaluate the implications of fiscal policies, such as minimum wages or safety regulation on the supply and demand of a good	The role and implications of fiscal and monetary policy in shaping individual decisions and societal welfare		
Discuss the short-run and long-run macroeconomic effects of quantitative easing and fiscal stimulus			
Examine the concept of utility and utility maximization as a guide to individual decision making	The implications of consumer and firm behavior		
Discuss profit maximization under multiple market structures			
Calculate the supply and demand effects of taxation, environmental policy, etc.	Broad overview of the fundamentals of micro- and macroeconomics		Demonstrate Intellectual Depth and Breadth
Determine the winners and losers from international trade			
Evaluate the societal implications from monopolistic market structures and governmental intervention			
Consider issues of income inequality and earnings discrimination			
Determine the connections between national income, inflation, unemployment and the role of policy in shaping these macroeconomic outcomes			

Evaluation

Exams: This course will have three exams. The final will not be cumulative. The dates for the exams are:

Exam #1:	Monday, October 8 th (in class)
Exam #2:	Friday, November 9 th (in class)
Exam #3:	Monday, December 17 th , 4:00PM-6:00PM, Room TBD

Please note that **no make-up exams will be given**. If any exam is missed, a type-written petition fully explaining and documenting the reason for missing the exam must be submitted to me within one week of the scheduled midterm or by Monday, December 24th for the final. If the petition is approved, the weight of the missed exam will be applied to exam #3. A missed final due to an unanticipated emergency will be handled with an incomplete for the course. Petitions will only be approved for extreme extenuating circumstances. If the petition is not approved (or no petition is submitted), a grade of zero will be assigned to the missed exam.

Homework: There will be weekly problem sets for this class. The assignments will be uploaded to Moodle and due dates will be announced in class and on Moodle. Assignments are due at the beginning of class on the due date. I reserve the right to grade any number of the homework questions. This policy allows you to have an ample amount of practice exercises with a solution and simultaneously limits the otherwise extensive grading burden. Answer keys will be posted to Moodle. **No late** homework will be accepted unless approved by me before the assignment is due. Your solutions will not be accepted by e-mail unless approved by me before the problem set is due.

Grades: Your final course grade will be determined as follows:

Homework	20%
Exam #1	25%
Exam #2	25%
Exam #3	30%

Note that attendance is not required. However, students will be responsible for all of the material in the assigned chapters, additional readings, as well as all of the material covered in class. The textbook should not be considered a substitute for attending class; **I will post my presentation slides to Moodle. However, the slides will not contain everything we cover in class. You should think of the slides as an outline to the course material.** Those who choose not to attend class will find it difficult to succeed in this course. **Note:** You will not be quizzed on the pre-class readings but **I expect each student to have completed the assigned reading in order to contribute to the in-class discussions and exercises.**

Grade Appeals: Any requests for re-grading an exam must be submitted in writing within one week of when the exam was available for pick-up. If you do not pick up your exam when it is handed back, you still must submit your request within a week of when the test was originally handed back. A re-grading request should include an argument for why you feel your answer was correct. I reserve the right to re-grade the entire exam when a request to re-grade any part of the exam is made.

Academic Integrity Policy

“Students are expected to maintain the highest standards of honesty in their college work; violations of academic integrity are serious offenses.” (Academic Policies, Macalester College) Any violations of the academic integrity policy will result in a failing grade for the assignment, paper or exam. Furthermore, a complaint will be filed with the Director of Academic Programs.

Cheating of any form will not be tolerated.

Exams: All exams will be closed-note and closed-book. Students will be permitted to have a pen or pencil, ruler or straightedge, and a non-programmable calculator on their desk during the exam. Under no circumstances will students be allowed to use a cell phone during the exam, including as a calculator. The use of any assistance or sources of information is prohibited and will be considered cheating.

Homework: Students are allowed and encouraged to work together on homework assignments. However, each student must hand in **their own work** separately. Simply changing the name on a typed up homework assignment will not be accepted. As a general rule, I should not be able to tell who you worked with when you turn in your homework.

Students with Disabilities

I am committed to supporting the learning of all students in my class. If you are encountering barriers to your learning that I can mitigate, please bring them to my attention. If you need disability-related accommodations, please contact the Director of Disability Services, Allie Quinn, who coordinates services for any student in need of accommodations. You may schedule an appointment by calling the Disability Services Office, 651-696-6874.

Tentative Schedule

Below is a **tentative** schedule of topics and readings that we will cover in lecture as well as anticipated homework due dates. The schedule indicates the subject of the class as well as the assigned chapters. Please refer to Moodle for additional reading materials. Please view this schedule as a **flexible timeline**, as it is subject to change given the pace of the class. The only **invariable pieces are exams. The exams are set**, barring extraordinary circumstances. I will likely assign supplementary readings as the class progresses. All changes will be announced in class and posted on Moodle.

Date	Mondays	Date	Wednesdays	Date	Fridays
09/03	Labor Day	09/05	Introduction <i>Readings: Syllabus, Ch. 1</i>	09/07	PPFs MAX Center w. Jake Mohan <i>Readings: Chapter 2</i>
09/10	Gains from Trade <i>Readings: Chapter 3</i>	09/12	Library Session <i>Readings: Library Questions</i>	09/14	Supply and Demand w. Prof. Ferderer <i>Readings: Chapter 4</i> <i>HW #1</i>
09/17	Supply and Demand and their Elasticity <i>Readings: Chapters 4 & 5</i>	09/19	Elasticity <i>Readings: Chapter 5</i>	09/21	Government Policy <i>Readings: Chapter 6</i>
09/24	Efficiency <i>Readings: Chapter 7</i> <i>HW #2</i>	09/26	Taxation <i>Readings: Chapter 8</i>	09/28	International Trade <i>Readings: Chapter 9</i>
10/01	International Trade <i>Readings: Chapter 9</i>	10/03	Externalities Sleep Education <i>Readings: Chapter 10</i>	10/05	Review <i>HW #3</i>
10/08	Exam #1	10/10	Consumer Choice <i>Readings: Chapter 21</i>	10/12	Labor Supply <i>Readings: Chapter 21</i>
10/15	Firms and Costs; Prof. Sukhatme Guest Lecture <i>Readings: Chapter 13</i> <i>HW #4</i>	10/17	Firms and Costs <i>Readings: Chapter 13</i>	10/19	Perfect Competition <i>Readings: Chapter 14</i>
10/22	Perfect Competition <i>Readings: Chapter 14</i>	10/24	Imperfect Competition <i>Readings: Chapter 16</i> <i>HW #5</i>	10/26	Fall Break
10/29	Imperfect Competition <i>Readings: Chapter 16</i>	10/31	Imperfect Competition <i>Readings: Chapter 17</i>	11/02	Imperfect Competition <i>Readings: Chapter 17</i>
11/05	Factor Markets <i>Readings: Chapter 18</i> <i>HW #6</i>	11/07	Review Sleep Education	11/09	Exam #2
11/12	Earnings & Discrimination <i>Readings: Chapter 19</i>	11/14	Income Inequality <i>Readings: Chapter 20</i>	11/16	Policy Discussion
11/19	GDP <i>Readings: Chapter 23</i> <i>HW #7</i>	11/21	Thanksgiving Break	11/23	Thanksgiving Break
11/26	GDP <i>Readings: Chapter 23</i>	11/28	Inflation <i>Readings: Chapter 25</i>	11/30	Policies & Growth <i>Readings Chapter 29</i>

12/03	Policies & Growth <i>Readings: Chapter 25</i> <i>HW #8</i>	12/05	Financial System Sleep Education <i>Readings: Chapter 26</i>	12/07	Financial System <i>Readings: Chapter 26</i>
12/10	Unemployment <i>Readings: Chapter 28</i>	12/12	Monetary Policy <i>Readings Chapter 29</i> <i>HW #9</i>	12/14	No Class; Exam #3, Monday, December 17th, 4:00PM- 6:00PM; Room: Carnegie 06A