

Georgia Institute of Technology School of Economics

Fall 2015 ECON 2100 ECONOMICS AND POLICY

TTh 1:35-2:55 Howey L1

Instructor:	<i>Professor Christine Ries</i>
Office:	<i>Old Civil Engineering (CE) building at 221 Bobby Dodd Way</i>
E-mail:	<i>Christine.ries@econ.gatech.edu</i>
Office Hours:	<i>By appointment. Generally available immediately after class.</i>
Tutorial Sessions:	<i>To be held 3-5 PM on the day before each exam.</i>
Teaching Assistant:	<i>Vitor Kamada</i>
Required Materials:	<i>Gregory Mankiw, Essentials of Economics, 7th ed. Cengage Learning.</i> <i>Cengage Mindtap and Aplia for reading and quizzes</i> <i>Alternatively, see Appendix for information on ordering and registering materials directly with Cengage.</i>

Course Overview

This course provides an overview of the principles of economic analysis. We will cover microeconomics – the study of "small" economic agents such as individuals and firms; and macroeconomics - the behavior of "large" aggregate measures of the whole economy. Economics is the study of behavior, especially of people's choices. But, we don't study an individual's choices in isolation. When one person's choices affect another person, and that person's response 'feeds back' to the first person, we experience a change in the economy. In other words, the economy is a complex, dynamic, adaptive system of many interacting individuals.

You will learn to use the concepts of economic analysis to understand and predict individual choices and their impacts on other people and on the economy. But the end of the term, you will be able to apply an 'economics lens' to your observations of events and choices in the world and better understand these actions and choices. You will also learn to predict when one set of events will have a trigger effect on another set of events.

The course is designed as an introduction to the field for non-majors.

Learning Goals

Learning Goals will guide our work in each class. We will complete the learning objectives recommended for undergraduate economics education as shown in the syllabus appendix.

For each Learning Goal you be required to demonstrate the ability to **describe** the social, political, and economic forces that influence social behavior. You will also be asked to **demonstrate the ability to analyze** economic phenomenon with clarity, accuracy, precision, relevance, depth, breadth, and logic.

You will learn to describe and demonstrate your mastery in classes that are designed according to Bloom's taxonomy (see Appendix) Bloom's Taxonomy is one good description of 21st Century learning skills or the steps to development of critical thinking skills.¹ And very persuasive new research on educational outcomes confirm that this

¹ Critical thinking is defined as systematically analyzing and questioning information in a manner that identifies and evaluates problems, processes, values, assumptions, and arguments in order to reach understanding, determine

model gives us the most effective and efficient way to learn. During your college experience you should advance through Bloom's levels of mastery in each of your courses and reach the top of the pyramid in your major and minor courses, at least.

In this introductory economics class we will concentrate on mastery at the first four levels - remembering, understanding, application (using economic principles to analyze events and choices). We will work through each of these levels for each chapter with out-of-class assignments, in-class mini-lectures and lablets (individual and team-based), and real time assessment.

For each class session, we will focus on the assigned chapter's particular learning goals. (These are summarized at the beginning of each textbook chapter.) You will be exposed to the concepts and analysis in pre-class work by reading the assigned chapter and working the Aplia homework quizzes. (These are open-book but graded.) In-class lecturettes will highlight key issues and cover areas you found problematic on the Aplia quizzes. You will use individual lablets (quizzes) and team-discussion of challenging quiz questions. Additional learning resources include the 'questions from text,' and extra problems included in Mindtap for each chapter. Check the tools at the side of Mindtap for additional resources. Finally, the Student Study Guide is excellent and may be purchased from Cengage.

Both Vitor and I will be available to answer your questions. I will leave time at or near the end of class for questions and you may contact me by email if you need a special appointment.

Out-of-class assignments, lectures, in-class lablets, and exams

For each class we will work with materials for the chapter assigned on that date. Prior to class, you should read and study the text chapter. Complete and submit the Aplia quizzes before 6 AM on the day of class. In class I will give several short lecturettes that put the material in context and cover the areas that you found problematic in Aplia homework. There will be several short, ungraded quizzes in each class and the opportunity to work in teams around the questions that are most challenging.

The course is designed for you to self-assess your own progress and work until you have mastered the material. Some of you, especially those who have had economics before, may do this fairly quickly. Some of you will need more time and will work through more materials before you can remember, understand and apply the concepts. There are self-testing problems in Mindtap and the problems and questions at the end of the text and in Aplia are excellent. The Cengage Student Study Guide is also excellent.

My goal is that each of you leave the class having demonstrated, by GREAT exam scores, that you have mastered and can use these essential principles of economics.

There will be four exams, each covering the material in that module of the course (see appendix for dates and chapters).

Student responsibilities and Grading

Final letter grades will be assigned based on your performance on Aplia quizzes, exams and short team projects held in class during the last two days of classes.

Georgia Tech Honor Code: Please review the GT Honor Code. I will prosecute any violation to the fullest extent possible

solutions, and initiate actions.

Students with Disabilities: I fully support the Students with Disabilities program at GT. Please bring the forms and paperwork to me after class and we will discuss requirement for your successful participation in the class.

Aplia: No late submissions. No excuses. Lowest two quiz grades are dropped at the end of the course. Use these for contingencies in your lives and schedules.

Exams: No makeup exams. In *extreme extenuating circumstances* advise me as soon as possible and document the incident with a letter from the Dean of Students or from the doctor. In that case, you will not take that exam, but will earn the average percentage of the other exams you have taken. Only one of these excused exam absences is allowed.

Grading:	Four exams	80%
	Aplia/homework quizzes	10%
	Final team projects	10%
	Above 90%	A
	Above 80%	B
	Above 70% and pass/fail	C
	Above 60%	D

Appendix: Ordering Materials, Schedule and Assignments; National Standards

Ordering Materials:

How to order and access your text and MindTap/Aplia course

What is MindTap?

MindTap is designed to help you master the material. Interactive videos, animations, and activities create a learning path designed by your instructor to guide you through the course and focus on what's important. Get started today!

Registration

1. Connect to <http://login.cengagebrain.com/course/MTPPPNXP3C8D>
2. Follow the prompts to register your MindTap course.
- 3.

Payment

After registering for your course, you will need to pay for access using one of the options below: **Online:** You can pay online using a credit or debit card, or PayPal.

Bookstore: You may purchase access to MindTap and e-text at GT bookstore.

Free Trial: If you are unable to pay at the start of the semester you may choose to access MindTap until 11:59 PM on 09/07/2015 during your free trial. After the free trial ends you will be required to pay for access.

Please note: At the end of the free trial period, your course access will be suspended until your payment has been made. All your scores and course activity will be saved and will be available to you after you pay for access.

If you already registered an access code or bought MindTap online, the course key to register for this course is: **MTPP PNXP3C8D**

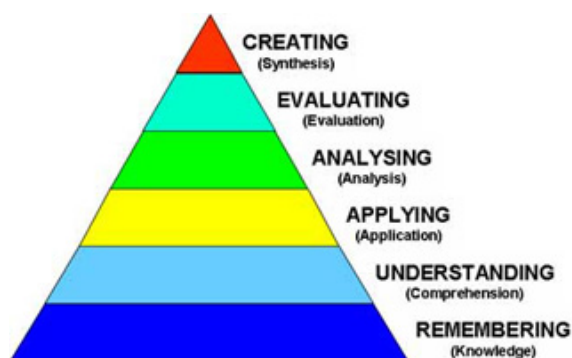
System Check

To check whether your computer meets the requirements for using MindTap, go to

<http://ng.cengage.com/static/browsercheck/index.html>

Please Note: the System Check is also accessible in the drop down box next to your name located in the upper right corner of your MindTap page.

Bloom's Taxonomy



Class Schedule and Reading Assignments

Wk	Class	Date	Chapter
1	1	T 18-Aug	Introduction. Fundamental Concepts and Methods of Economics
	2	Th 20-Aug	Chapter 1: Ten Principles of Economics.
2	3	T 25-Aug	Chapter 2: Thinking like an Economist.
	4	Th 27-Aug	Chapter 3: Independence and the Gains from Trade
3	5	T 1-Sep	Chapter 4: The Market Forces of Supply and Demand
	6	Th 3-Sep	Chapter 5: Elasticity and Its Application AND Chapter 6: Supply, Demand, and Government Policy
4	7	T 8-Sep	Chapter 7: Consumers, Producers, and the Efficiency of Markets
	8	Th 10-Sep	EXAM 1
5	9	T 15-Sep	Chapter 8: Applications: The Costs of Taxation
	10	Th 17-Sep	Chapter 9: International Trade
6	11	T 22-Sep	Chapter 10: Externalities
	12	Th 24-Sep	Chapter 11: Public Goods
7	13	T 29-Sep	EXAM 2
	14	Th 1-Oct	Chapter 12: The Costs of Production
8	15	T 6-Oct	Chapter 12: The Costs of Production
	16	Th 8-Oct	Chapter 13: Firms in Competitive markets
9		T 13-Oct	FALL BREAK
	17	Th 15-Oct	Chapter 14: Monopoly

10	18	T	20-Oct	EXAM 3
	19	Th	22-Oct	Chapter 15: Measuring a Nation's Income
11	20	T	27-Oct	Chapter 16: Measuring the Cost of Living
	21	Th	29-Oct	Chapter 17: Production and Growth
12	22	T	3-Nov	Chapter 18: Saving, Investment, and the Financial System
	23	Th	5-Nov	Chapter 20: Unemployment and Its Natural Rate
13	24	T	10-Nov	Chapter 21: The Monetary System
	25	Th	12-Nov	Chapter 22: Money Growth and Inflation Chapter 24: The Influences of Monetary and Fiscal Policy on Aggregate Demand
14	26	T	17-Nov	
	27	Th	19-Nov	EXAM 4
	28	T	24-Nov	Thanksgiving Week: Class Cancelled
		Th	26-Nov	Thanksgiving Week: Class Cancelled
15	29	T	1-Dec	Team Project: Applying Economics
	30	Th	3-Dec	Team Project: Applying Economics

National Standards

CONTENT STANDARDS

STANDARD 1: SCARCITY. 2

Productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

STANDARD 2: DECISION MAKING. 5

Effective decision making requires comparing the additional costs of alternatives with the additional benefits. Many choices involve doing a little more or a little less of something; few choices are "all or nothing" decisions.

STANDARD 3: ALLOCATION. 8

Different methods can be used to allocate goods and services. People acting individually or collectively must choose which methods to use to allocate different kinds of goods and services.

STANDARD 4: INCENTIVES . 10

People usually respond predictably to positive and negative incentives.

STANDARD 5: TRADE. 13

Voluntary exchange occurs only when all participating parties expect to gain. This is true for trade among individuals or organizations within a nation, and among individuals or organizations in different nations.

STANDARD 6: SPECIALIZATION. 15

When individuals, regions, and nations specialize in what they can produce at the lowest cost and then trade with others, both production and consumption increase.

STANDARD 7: MARKETS AND PRICES . 17

A market exists when buyers and sellers interact. This interaction determines market prices and thereby allocates scarce goods and services.

STANDARD 8: ROLE OF PRICES . 20

Prices send signals and provide incentives to buyers and sellers. When supply or demand changes, market

prices adjust, affecting incentives.

STANDARD 9: COMPETITION AND MARKET STRUCTURE. 22

Competition among sellers usually lowers costs and prices, and encourages producers to produce what consumers are willing and able to buy. Competition among buyers increases prices and allocates goods and services to those people who are willing and able to pay the most for them.

STANDARD 10: INSTITUTIONS. 24

Institutions evolve and are created to help individuals and groups accomplish their goals. Banks, labor unions, markets, corporations, legal systems, and not-for-profit organizations are examples of important institutions. A different kind of institution, clearly defined and enforced property rights, is essential to a market economy.

iv Voluntary National Content Standards IN ECONO MICS

STANDARD 11: MONEY AND INFLATION.. 26

Money makes it easier to trade, borrow, save, invest, and compare the value of goods and services. The amount of money in the economy affects the overall price level. Inflation is an increase in the overall price level that reduces the value of money.

STANDARD 12: INTEREST RATES . 29

Interest rates, adjusted for inflation, rise and fall to balance the amount saved with the amount borrowed, which affects the allocation of scarce resources between present and future uses.

STANDARD 13: INCOME . 31

Income for most people is determined by the market value of the productive resources they sell. What workers earn primarily depends on the market value of what they produce.

STANDARD 14: ENTREPRENEURSHIP. 33

Entrepreneurs take on the calculated risk of starting new businesses, either by embarking on new ventures similar to existing ones or by introducing new innovations. Entrepreneurial innovation is an important source of economic growth.

STANDARD 15: ECONOMIC GROWTH. 35

Investment in factories, machinery, new technology, and in the health, education, and training of people stimulates economic growth and can raise future standards of living.

STANDARD 16: ROLE OF GOVERNMENT AND MARKET FAILURE. 38

There is an economic role for government in a market economy whenever the benefits of a government policy outweigh its costs. Governments often provide for national defense, address environmental concerns, define and protect property rights, and attempt to make markets more competitive. Most government policies also have direct or indirect effects on peoples' incomes.

STANDARD 17: GOVERNMENT FAILURE. 41

Costs of government policies sometimes exceed benefits. This may occur because of incentives facing voters, government officials, and government employees, because of actions by special interest groups that can impose costs on the general public, or because social goals other than economic efficiency are being pursued.

STANDARD 18: ECONOMIC FLUCTUATIONS. 43

Fluctuations in a nation's overall levels of income, employment, and prices are determined by the interaction of spending and production decisions made by all households, firms, government agencies, and others in the economy. Recessions occur when overall levels of income and employment decline.

STANDARD 19: UNEMPLOYMENT AND INFLATION. 45

Unemployment imposes costs on individuals and the overall economy. Inflation, both expected and unexpected, also imposes costs on individuals and the overall economy. Unemployment increases during recessions and decreases during recoveries.

STANDARD 20: FISCAL AND MONETARY POLICY. 47

Federal government budgetary policy and the Federal Reserve System's monetary policy influence the overall levels of employment, output, and prices.