

University of Redlands Department of Economics
ECON-101-04: Principles of Economics
Fall 2019
Mondays & Wednesdays 2:30-3:50 PM: Duke 102

Nicholas Reksten

nicholas_reksten@redlands.edu

Office Hours: Tuesdays, 2:30 – 3:30 PM; Wednesdays, 10:00 – 11:30 AM; or by appointment

LAI Designations: QRE, S

Office: Duke 211

Office Phone: 909.748.8562

Course Description

Economics explores the ways in which people organize themselves to sustain and enhance their quality of life and well-being. Societies throughout history and across the globe have developed numerous ways of coordinating economic activity through a variety of institutional arrangements. This introductory course will introduce basic theory at the macro and micro level. We will use the tools developed in the course to explore some of the central questions of economics. How do people and firms make choices about what to buy and produce? Why and how do prices and quantities of production of goods and services produced change? How do firms determine how much to produce and at what price? How does the level of competition between firms in a market impact their decisions? How should we make public policy to control pollution and other negative impacts on the environment and human health caused by economic activity? What are some of the causes and economic consequences of unemployment and inflation, according to the Keynesian and Classical paradigms? How do we measure economic activity in a society? To what extent can policymakers impact key economic indicators? We will also look at the causes of the 2008 global financial crisis and the current issues of immigration and inequality.

Course Objectives

By the end of this class, you should be able to:

- Examine basic graphs and understand how to use basic economic data and theory to explore research questions
- Feel comfortable discussing key economic concepts verbally or algebraically
- Understand how neoclassical economic theory suggests firms make production decisions and how markets may efficiently or inefficiently organize economic activity
- Know how the government measures economic activity and unemployment
- Evaluate methods for achieving economic goals such as growth, price stability, and unemployment reduction using Classical and Keynesian paradigms
- Critically engage with people and authors on basic economic topics

Required Text

There is no required text for the course. “Core” readings for the semester come from a draft of the forthcoming textbook *Principles of Economics in a Nutshell* by Lorenzo Garbo, Dorene Isenberg, and I (abbreviated PEN) in the schedule below. It and all other readings will be made available on the course Moodle page.

If you would like a more traditional textbook to refer to during the course, I recommend the following, which we will be using 2 chapters from:

Goodwin, Neva *et al.* *Principles of Economics in Context*, M.E. Sharpe. Armonk, New York: 2014. ISBN: 978-0-765638-82-3.

Assignments

Readings: Please read all assignments before class and come prepared to discuss the material. The quality of our discussions will depend on you.

Problem Sets: There will be problem sets due every 1-2 weeks (see the course schedule below for specific due dates) that are graded for completion and effort. If all problems are completed and time was clearly spent on the assignment, full credit is given. If *any* problems or parts of problems are missing or the work is haphazard, no credit is given. Occasionally, there will be short essay questions of a few paragraphs that will be pulled out and graded for content, and these will be noted in the assignment. Late problem sets are not accepted.

Exams: The three exams will consist of problems and short essay questions. The dates of the exams are provided below, and we will discuss the format and general content of each exam more thoroughly as it approaches. If you have an excused absence from an exam, you must schedule a time to take an alternative exam as soon as possible. Exams missed without a valid excuse cannot be made up. For more information, see p. 27 of the University Catalog.

Grading

Assignment	Percent of Grade
Problem Sets	20%
Final Exam	25%
2 midterm exams	20% (each)
Participation & Attendance	15%

Letter Grade	0-4 Scale	Percentage
A	4	95-100
A-	3.7	90-94
B+	3.3	85-89
B	3	80-84
B-	2.7	75-79
C+	2.3	70-74
C	2	65-69
C-	1.7	60-64
D+	1.3	55-59
D	1	50-54
F	0	0-50

Class Schedule

<i>Part I: Introduction to Economics</i>	
Sept. 4	<i>Introduction to the Class and Economics</i> <ul style="list-style-type: none"> • PEN, Chapter 1
Sept. 9	<i>Introduction to Economics, Continued</i> <ul style="list-style-type: none"> • PEN, Chapter 1
Sept. 11	<i>Scarcity and Tradeoffs</i> <ul style="list-style-type: none"> • Khan Academies (video) Production Possibilities Frontier • PEN, Chapter 2
<i>Part II: Microeconomics</i>	
Sept. 16	<i>The Market I</i> <ul style="list-style-type: none"> • PEN, Chapter 3 (Sections 1-4) • Robert Prasch, <i>How Markets Work</i> (2008) Lecture 2 Problem Set 1 Due
Sept. 18	<i>The Market II</i> <ul style="list-style-type: none"> • PEN, Chapter 3 (Section 5)
Sept. 23	<i>Elasticity</i> <ul style="list-style-type: none"> • PEN, Chapter 3 (Sections 7 & 8) Problem Set 2 Due
Sept. 25	<i>Economics & the Environment: Introduction to Market Failures</i> <ul style="list-style-type: none"> • PEN, Chapter 3 (Section 6) • Gilbert Metcalf, "With the right guiding principles, carbon taxes can work," <i>The Conversation</i>, January 10, 2019. Review for Midterm I
Sept. 30	<i>Midterm I</i>
Oct. 2	<i>Introduction to the Firm and Production Functions</i> <ul style="list-style-type: none"> • PEN, Chapter 4 (Sections 1 - 6)
Oct. 9	<i>Markets without Power</i> <ul style="list-style-type: none"> • PEN, Chapter 4 (Sections 7 & 8)
Oct. 14	<i>Markets with Power</i> <ul style="list-style-type: none"> • PEN, Chapter 4 (Section 9) • Natalie Shure (2018) "The Insulin Racket," <i>The American Prospect</i> (June 24).
Oct. 16	<i>Supply & Demand in Context: Immigration and Labor Markets</i> <ul style="list-style-type: none"> • "Kicking out immigrants doesn't raise wages," <i>The Economist</i>, Feb. 4, 2017. • "We Deported Half a Million People to Mexico in the 1930s. Did it Create Jobs?" <i>This American Life</i>, Extra, Dec. 21, 2017. Problem Set 3 Due
<i>Part III: Macroeconomics</i>	
Oct. 21 & 23	<i>National Income Accounting: Circular Flows & GDP</i> <ul style="list-style-type: none"> • PEN, Chapter 5 (p. 1-10) • Bureau of Economic Analysis, "US Economy at a Glance"

Oct. 28	<i>What Else is Worth Measuring? Alternative Indicators of Well-Being</i> <ul style="list-style-type: none"> • PEN, Chapter 5 (section on time use data) • Éloi Laurent (2018) <i>Measuring Tomorrow: Accounting for Well-Being, Resilience, and Sustainability in the Twenty-First Century</i> (selections) Problem Set 4 Due
Oct. 30	<i>Unemployment</i> <ul style="list-style-type: none"> • PEN, Chapter 5 (p. 11-13) • Current article on the latest unemployment figures, to be posted Review for Midterm II
Nov. 4	<i>Midterm II</i>
Nov. 6	<i>Macroeconomic Theory and Policy: The Classical Paradigm</i> <ul style="list-style-type: none"> • PEN, Chapter 6 (Sections 1-3)
Nov. 11 & 13	<i>Macroeconomic Theory and Policy: The Keynesian Paradigm</i> <ul style="list-style-type: none"> • PEN, Chapter 6 (Sections 4-7)
Nov. 18	<i>Money and Money Creation</i> <ul style="list-style-type: none"> • PEN, Chapter 7 (Sections 1 & 2) • "The Secret Target," Planet Money 879 (Audio): Nov. 30, 2018. Problem Set 5 Due
Nov. 20	<i>Classical & Keynesian Theories of Money</i> <ul style="list-style-type: none"> • PEN, Chapter 7 (Sections 3 & 4)
Nov. 25	<i>Understanding Economic Inequalities</i> <ul style="list-style-type: none"> • <i>Principles of Economics in Context</i>, Chapter 11 (sections) Problem Set 6 Due
Dec. 2 & 4	<i>The Financial Crisis & The Great Recession</i> <ul style="list-style-type: none"> • <i>Principles of Economics in Context</i>, Chapter 30 (Sections 1-3) • "The Giant Pool of Money" This American Life 355: (Audio) May 9, 2008. • Film: <i>The Big Short</i> (you will need to purchase on a streaming service)
Dec. 9	Continuing in Economics: Feminist and Ecological Paradigms <ul style="list-style-type: none"> • PEN, Chapter 8 • Problem Set 7 Due
Dec. 14	Final Exam, 3PM

Class Policies

Attendance: In order to get the most out of the course, it is imperative for you to attend every class. You may miss no more than two classes for any reason. If you miss a third class, you must schedule an appointment to discuss why you are missing class. In the absence of this meeting, I will file an Academic Status Report with the Dean's Office. Any further unexcused absences will result in automatic failure of the class. I will follow university guidelines as to what constitutes a documented excused absence. Additionally, frequently arriving late will have a negative impact on your grade.

Laptops & Electronic Gadgets: You may not use laptops and tablets in the class to take notes and refer to the readings without prior approval from me. To receive that approval, simply arrange to meet with me in my office (please do not just ask after class) so that we can have a quick discussion of why you would like to take notes electronically. Given our use of graphs and algebra in the class, it seems that it would be difficult to take notes on a laptop with the material, but I am open to different styles of learning. Please note that if I see that you are using them for another purpose (browsing Facebook, for example),

I will ask you to put away your device and your participation grade will suffer. Additionally, you are not allowed to use smartphones at all during class. Rather than police this publicly, I will merely make a note that you are not really “in” class if you are using an electronic device and you will be counted as absent.

Academic freedom: In this course, we will be discussing a number of politically charged issues, and it is inevitable that there will be a range of opinions, including my own. You will never be penalized in any way for disagreeing with me or challenging my views. Part of the learning process for all of us is having our existing beliefs and assumptions challenged over the course of the year. Being able to do this in a respectful and constructive way can allow us to grow intellectually.

Academic Honesty: Unless explicitly specified, all work you turn in for this course should be yours alone. When using ideas other than your own in your work, I expect you to include proper citations. If you have any questions about expectations or policies in this area, you may both refer to the University Catalog (p. 17-24) and share any concerns you have regarding your own or anyone else’s behavior. **If a violation of academic honesty is found to have occurred, it will result in failure of the course.** The University Catalog is available in its entirety here: <http://www.redlands.edu/study/registrar-office/course-catalogs/>

Disability support: If a you have a disability that qualifies for accommodations under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, you should contact Academic Success & Disability Services (ASDS). ASDS is located on the ground floor of the Armacost Library across from Human Resources and down the hall from the Jones Computer Center; their phone is 909-748-8069. The primary contact person is Amy Wilms, and the website is: <http://www.redlands.edu/student-life/academic-success-and-disability-services/disability-services/>

Discrimination and sexual assault: The University of Redlands is committed to providing a safe learning environment for all students that is free of all forms of discrimination, sexual misconduct, and sexual harassment, including sexual assault, domestic violence, dating violence, and stalking. If you (or someone you know) has experienced or experiences any of these incidents, know that you are not alone. The University of Redlands has staff members trained to support you in navigating campus life, accessing health and counseling services, providing academic and housing accommodations, no contact orders, and more.

Please be aware all University of Redlands faculty members are “responsible employees,” which means that if you tell me about a situation involving sexual harassment, sexual assault, dating violence, domestic violence, or stalking, I must share that information with the Title IX Coordinator. Although I have to make that notification, you will control how your case will be handled, including whether or not you wish to pursue a formal complaint. Our goal is to make sure you are aware of the range of options available to you and have access to the resources you need.

To report an incident, you can:

- Report online at: www.redlands.edu/titleix --> Report
- Contact the Title IX Office at 909-748-8916
 - Title IX Coordinator, Pat Caudle, pat_caudle@redlands.edu or 909-748-8171
 - Deputy Title IX Coordinator, Erica Moorer, erica_moorer@redlands.edu or 909-748-8916

If you wish to speak to someone confidentially (meaning not filing with the Title IX Office), you can contact any of the following on-campus resources:

- Counseling Service (<http://www.redlands.edu/student-life/health-and-psychological-services/counseling-center/>, 909-748-8108)
- Crisis Line: 909-748-8960
- Chaplain's Office (<http://www.redlands.edu/student-life/campus-diversity-and-inclusion/religious-diversity/>, 909-748-8368)

For more information, please visit www.redlands.edu/titleix