

Macalester College
ECONOMICS 119: PRINCIPLES OF ECONOMICS
2008 –Fall semester, M, W and F

Professor: Liang (Leon) Ding, Office: Carnegie Hall 310E
Email: ding@macalester.edu Phone: 651-696-6822
Office Hours: regular hours: Monday and Wednesday 3:00pm –4:30pm, additional hours: 2pm-4pm in the afternoon before due date of the homework. Students who cannot make these office hours are encouraged to schedule appointments at more convenient times. Additional office hours will be arranged before exams.
Web Site: <http://www.macalester.edu/courses/econ119/ding/>
Preceptor: TBA

COURSE DESCRIPTION AND OBJECTIVES

This class provides a foundation in economic theory and addresses many major topics in economics. We will discuss and apply economic theory to behavioral and policy questions and develop tools needed to critically evaluate international events and policies.

The first part of the course covers microeconomics. Here we focus on the economic decisions of individual households, workers and firms and how these decisions interact in markets. The second part of the course covers macroeconomics. Here, we focus on the study of economic aggregates (e.g., GDP, inflation, and unemployment) and the forces that cause them to change over time.

The first objective of this class is to introduce students a wide range of economic theory and to help students understand how markets work to allocate goods, resources and income in society. The second objective is to provide student proper scientific methods and tools to discuss economic issues, solve economic problems and make good policy decisions. This course also aims to provide economic majors the appropriate background and foundation for future coursework in the economics major.

COURSE TEXT AND READINGS

Principles of Economics, 4th edition, Mankiw, N.G., Thomson South Western.

PREREQUISITES

There are no prerequisites for this course. However, it is important that students are comfortable working with graphs in order to understand the material. Students who need help in this area should focus on the appendix to chapter two of Mankiw. If this material remains unclear, please see me.

GRADING

Your grade will be determined by two midterm exams, one comprehensive final exam (total 3 exams) and nine (9) problem sets. Each of two midterms will be worth 20% of your overall grade, and the cumulative final will be worth 33%. The problem sets will determine 27% of your overall grade (3% each).

Problem sets (9) $9 \times 3\% = 27\%$ Midterms (2) $2 \times 20\% = 40\%$ Final 33%

Problem sets are due at the beginning of class on the day indicated. You may work with other students in this class on homeworks, but you must prepare your own answers to the homework.

EXAM DATES

First Midterm: Friday, 10/3, class time

Second Midterm: Friday, 11/7, class time

Final Exam: Monday, 12/8, 8-10am (econ119-01), 10:30am-12:30pm (Econ119-02)

EXAM MAKE-UP POLICY

There will be no make-ups given on any midterm exam. If you miss one of the midterms and have an excused absence, the final will be counted 53% (20%+33%). If you miss both midterms with excused absences, then the final exam will be counted 73% (20%+20%+33%). If you miss an exam without an excused absence, you will automatically receive a zero. If you miss the final exam and have an official excuse, you can have a make-up exam.

COURSE OUTLINE

This is only a tentative schedule and could change as the semester unfolds, but I hope to stick to it.

Date	weekday	Topics	Assignments	Chapters
8/27	Wed	Introduction		1, 2
8/29	Fri	Gains from trade	HW 1 post	3
9/1	Mon	<i>Labor day holiday</i>		
9/3	Wed	Supply and demand		4
9/5	Fri	Student contest, demand and supply	HW1 due	4
9/8	Mon	Computer game	HW2 post,	4
9/10	Wed	Elasticity and its applications		5
9/12	Fri	Public policy	HW2 due	6
9/15	Mon	Computer game	HW3 post	6
9/17	Wed	Welfare analysis		7
9/19	Fri	International trade	HW3 due	9
9/22	Mon	International trade	HW4 post	9
9/24	Wed	Externality		10
9/26	Fri	Public goods and common resources	HW4 due	11
9/29	Mon	The costs of production		13
10/1	Wed	The costs of production, Competitive markets		13,14
10/3	Fri	Midterm 1		
10/6	Mon	Go through test, Competitive markets	HW5 post	14
10/8	Wed	Monopoly		15
10/10	Fri	Oligopoly	HW5 due	16
10/13	Mon	Oligopoly		16
10/15	Wed	Monopolistic competition		17
10/17	Friday	<i>Fall break</i>		
10/20	Mon	Consumer choice	HW6 post	21
10/22	Wed	Consumer choice		21
10/24	Fri	Measuring a nation's income	HW6 due	23
10/27	Mon	Measuring a nation's income	HW7 post	23
10/29	Wed	Costs of living		24
10/31	Fri	Costs of living and unemployment	HW7 due	24
11/3	Mon	Production and growth		25
11/5	Wed	Production and growth		25
11/7	Fri	Midterm 2		
11/10	Mon	Go through the test, saving and investments		26
11/12	Wed	Financial system and money		26
11/14	Fri	Money and federal reserve system		29
11/17	Mon	Money and inflation	HW8 post	
11/19	Wed	Money and inflation		30
11/21	Fri	Open economy model	HW8 due	30
11/24	Mon	Open economy model		31
11/26	Wed	Open economy model		32
11/28	Fri	<i>Thanksgiving holiday</i>		
12/1	Mon	AS-AD model	HW9 post	33
12/3	Wed	Policy analysis		34
12/5	Fri	Last class, review	HW9 due	
12/8	Monday	Final Exam, 8-10am (econ119-01) 10:30am-12:30pm, (Econ119-02)	Final exam	