Course Description and Objectives:
The purpose of this course is to introduce the basic concepts of economics. Economics is divided into two main sub-disciplines: microeconomics and macroeconomics. Microeconomics is devoted to the study of how consumers and firms make decisions at an individual level (the “micro” level). Microeconomics poses these kinds of questions: How do individuals decide what and how much to purchase? If wages increase, will an employee work more or fewer hours? What is the lowest price at which the owner of a textile factory will continue to produce shoes?

Macroeconomics, on the other hand, asks questions at the aggregate level (the “macro” level). The questions above, when posed by a macroeconomist, might be: What will be the total amount of goods and services purchased this year? Will an increase in the minimum wage increase or decrease employment? If the United States opens up to trade, will lower shoe prices result in a decrease in production?

This course will introduce the concepts and tools used to study questions at both the micro and macro levels. It will also examine how government policies and institutions affect individual decisions and the macroeconomy.


Course Policies and Tips for Success:
The class itinerary is included in this syllabus. Please note exam dates and assignment due dates now. You may reschedule an exam only if you have a conflicting religious holiday. You must make arrangements to reschedule at least one week before the scheduled exam time.

The only excuses for a missed exam are verifiable medical emergencies or absences for those students who represent the College in college-sponsored activities as specified in Macalester’s Class Attendance and Absences Policy (http://www.macalester.edu/academicprograms/ClassAttendanceandAbsencePolicy.html). In the event of an excused missed exam, the average of the other exam grades will serve as the grade of the missed exam. I do not accept late homework, late papers, or homework handed in electronically. All assignments are due at the beginning of the class period.

A substantial amount of exam content will be presented only in class. I urge you to work together on your homework, but each of you must write up your own assignment. Read actively and write down
questions. Visit me often to make sure that you are clear on ideas presented in class. Check your email regularly; I often send updates and readings electronically.

Academic Honesty:
Cheating on exams, using another’s homework solutions, or failure to acknowledge the contributions of others’ work to your own are serious offenses. Cheating or failure to properly reference sources will result in a grade of F for the exam or assignment and may result in a failing grade for the course. All cheating and plagiarism will be reported to the Dean of Academic Programs. For additional information on academic honesty, see http://www.macalester.edu/academicprograms/integrity.html. If you remain in doubt about what constitutes cheating or plagiarism, you must consult with me.

Grading:
The course grade is composed of:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Mini Writing Assignment and Homework</td>
<td>20%</td>
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<tr>
<td>Research Project</td>
<td>30%</td>
</tr>
<tr>
<td>Two Midterm Exams</td>
<td>30% (15% each)</td>
</tr>
<tr>
<td>Final Exam</td>
<td>20%</td>
</tr>
</tbody>
</table>

Getting Help with your Writing:
I and your writing assistant will offer you substantial writing support this semester. In addition, the Macalester Academic Excellence (MAX) Center, located in Kagin Commons, has peer tutors available for students in all stages of their writing. Hours are 9:00 A.M. to 4:30 P.M., Monday through Friday, and 7:00 P.M. to 10:00 P.M., Sunday through Thursday. You may drop in or call 651-696-6121 during the day or 651-696-6193 in the evening to schedule an appointment. Becky Graham and Jake Mohan also provide writing assistance during daytime hours, Monday through Friday. The MAX Center also has a number of excellent resources on its website: http://www.macalester.edu/max/writing/handouts/

Research Project:

I. Description and Grade Breakdown
Choose a question that can be answered using the tools of economics. Then, review the existing theoretical and empirical economic research relating to your question. This project is to be done in seven stages. The seven stages, percentages of final grade allocated to each stage (for a total of 30%), and due dates are:

<table>
<thead>
<tr>
<th>Stage</th>
<th>Task Description</th>
<th>Percentage</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Meet with Caroline to discuss project idea</td>
<td>1%</td>
<td>by September 18</td>
</tr>
<tr>
<td>2.</td>
<td>Hand in question to me (1 page)</td>
<td>1%</td>
<td>Sept. 25</td>
</tr>
<tr>
<td>3.</td>
<td>Hand in refined question to Caroline (1-2 pages)</td>
<td>1%</td>
<td>Oct. 9</td>
</tr>
<tr>
<td>4.</td>
<td>Hand in refined question to me (1-2 pages)</td>
<td>2%</td>
<td>Oct. 23</td>
</tr>
<tr>
<td>5.</td>
<td>Draft Literature Review to Caroline (14 page max.)</td>
<td>5%</td>
<td>Nov. 19</td>
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<tr>
<td>6.</td>
<td>Draft Literature Review to me (14 page max.)</td>
<td>5%</td>
<td>Nov. 30</td>
</tr>
<tr>
<td>7.</td>
<td>Final Literature Review to me (14 page max.)</td>
<td>15%</td>
<td>Dec. 12</td>
</tr>
</tbody>
</table>
Examples of paper questions from previous semesters include:

- Does immigration into the U.S. affect the wages of U.S. citizens?
- How much more do college graduates earn, compared to those with just high school diplomas?
- Is the Canadian health care system more efficient and equitable than the U.S. health care system?
- How does the income tax affect savings and investment?
- Does higher pay increase the teaching performance of high school teachers?
- Do private school vouchers increase the quality of public school education?
- What policy induces the most household water conservation for the lowest cost?
- Is a system of tradable permits the most efficient way to reduce emissions of global warming gases?
- How would joining a franchise affect profits at my dad’s furniture store?
- How did Tanzanian privatization programs affect wages?
- What are the benefits and disadvantages of subsidized housing?
- Does charitable giving on the part of corporations increase corporate profit?
- How does NAFTA affect wages and employment in Mexico?
- Does foreign food aid reduce agricultural production in sub-Saharan Africa?
- How do U.S. tax laws affect foreign direct investment by U.S. firms in other countries?

Search for ideas by reading or browsing at websites maintained by:

- Journal of Economic Perspectives
- The Economist
- The Financial Times
- New York Times
- The World Bank
- Brookings Institution
- National Bureau of Economic Research
- Resources for the Future
- Peterson Institute for International Economics
- Economic Policy Institute
- The Urban Institute
- The Bureau of Labor Statistics
- The Bureau of Economic Analysis
II. Citation and Formatting Styles

You must properly cite all sources. Failure to properly reference sources may result in a failing grade for the course. Please use the APA citation style (http://www.macalester.edu/max/writing/apa/). For help with proper paraphrasing and citation, see http://www.macalester.edu/max/writing/betterparaphrasing/.

All written submissions should be double-spaced and of 12 point Times New Roman font, have one-inch margins, and include references. All submissions must include page numbers. Print papers double-sided, preferably on recycled paper, or single-sided on used paper. The page limit for the final literature review is not negotiable—it is 14 pages, including all references, tables, figures, and graphs. **Papers that do not conform to these specifications will receive zero points.**

For the final paper, each spelling error after the fifth error will result in one drop of a grade (from B to B-, for example). A simple way to find typos and errors is to read your paper aloud. Due to problems with software compatibility and server reliability, I do not accept electronic versions.

To find articles that relate to your topic, you may use a variety of databases, but you must also use Econlit, an electronic database available on the Macalester library website. **You should use at least 6 sources other than your textbook.**

III. Paper Stages

**A. Project Proposal (1-2 pages)**

1. Write the question that you would like to answer as the title of your proposal.

2. In one paragraph, use descriptive statistics to motivate your study and to make the case for the relevance and importance of your research.

3. Include a preliminary bibliography, making sure that all sources are formatted in the proper style. This bibliography should consist primarily of research papers published in peer-reviewed economics journals.

**B. Refined Question (1-2 pages)**

1. Based upon your more extensive research, narrow and focus your question so that it fits neatly within the bounds of the economics discipline, includes language of cause and effect, and is concrete and specific. Write your new question as the title of your proposal.

2. In the first paragraph, use descriptive statistics to motivate your study and to make the case for the relevance and importance of your research.

3. In the second paragraph, briefly describe the research that has been done on your question. Use APA style in-text citation.

4. Provide a full bibliographic reference for each source directly cited in your text.
C. Literature Review (12 to 14 pages including references, graphs, tables, and figures)

Your literature review should include the following sections. While the Introduction and References need not be titled or numbered, all other sections should have their own headings and be numbered with roman numerals. The headings should be specific to your topic.

Introduction (about 1-2 pages)

(1) Your first paragraph should use descriptive statistics to motivate your topic and draw in the reader. It should end with a brief statement of your question.
(2) Your second paragraph should provide further clarification of your question if necessary.
(3) Your third paragraph should very briefly describe the nature of the existing research on your question.
(4) The last paragraph of the introduction should tell the reader what each of the subsequent sections of the paper contains. For example, if I were writing a paper on the effects of the introduction of a light rail line on land use change, I might say:

In Section I, I explain two land use theories and their predictions for how public transit affects land use. In Section II, I review the empirical literature on the magnitudes of light rail’s effects on land use, paying special attention to the differences across papers in methods and data. Finally, in Section III I draw conclusions, list caveats, and propose directions for further research.

I. Theory (about 3-5 pages)

(1) Describe the economic theory or theories economists have used to frame research on your question. Usually this section includes at least one graph, but it may use other methods of explanation instead. For example, this section might describe the marginal conditions associated with utility or profit maximization, explain mathematical derivations, or outline logical arguments.
(2) Clearly state the implications that economic theory has for your question. What does theory predict? What are the testable hypotheses?

II. Empirical Evidence (about 3-5 pages)

(1) Analyze studies that have used data to explore your question or a similar question. What methods do they use? What do they conclude? You should attempt to determine how methods and data used in different studies affect their results. Be sure to directly link the results in this section to the predictions and hypotheses that you raise in your theory section.

III. Conclusion (about 1-2 pages)

(1) Briefly summarize the results of your analysis.
(2) List any caveats to your preliminary conclusions.
(3) Describe directions for future research.

References (about 1 page)

References may be single spaced (even though this violates strict APA citation rules).
Guide to Corrections. I will use the following list of abbreviations and marks to indicate spelling mistakes, grammatical errors, etc., when correcting your papers. Please take my corrections as an opportunity to improve your writing.

Guide to Corrections

acc  lacks accuracy (you are failing to render the words or ideas of another accurately, you are misinterpreting another)
agr  subject does not agree in number with verb; or pronoun does not agree in number with antecedent
amb  sentence or clause or expression or word is ambiguous
ant  unclear antecedent: you’ve used a word or phrase that refers back to something you have said earlier but I cannot tell what that something is (that is, what the “antecedent” is)
apos an apostrophe is missing or should not be there
assert unfounded assertion
awk  awkward, clumsy, cumbersome, and therefore hard to follow or understand
coh  lacks coherence, does not hang together, is jumbled, hodge-podgey, poorly organized
_dm_ dangling modifier; modifier does not clearly and logically relate to another word (for example: When plastered, you are ready to paint the wall should read When plastered, the walls can be painted. )
evid  point requires supporting (and cited) evidence
frag  sentence fragment; not a complete sentence
glob err this error is made throughout your paper—I’m not going to flag it again
hyph  insert hyphen
ital  italicize or underline
logic given your assumptions or evidence, what you say here doesn’t logically follow
mm  misplaced modifier, that is, the modifier should be in a closer or clearer relation to the word it modifies (e.g., He fell while he was running into a manhole—“into a manhole” is a misplaced modifier and thus should read: He fell into a manhole while running. Or: While he was running, he fell into a manhole.)
mimet  mixed metaphor
opin  personal opinion that is not appropriate for this kind of academic paper
os  overstated, exaggerated, too strong
precision  lacks precision; more details, particulars, and examples needed; too generalized; vague
paral  two or more sentence elements should have the same grammatical form; e.g., “Duties of the job including babysitting, house-cleaning, and [underline] preparation of meals . . . .”
punct  punctuation is faulty
red  redundant
rep  repetitive
run-on  run-on sentence
sc  insert a comma after the second to the last item in a series; that is, insert a “serial comma.” (The serial comma is preferred in academic writing.)
shift  pronouns in your sentence shift in number or person (that is, you fail to maintain a consistent “point of view”); verbs in your sentence shift in tense, mood, or voice
tense  verb is in wrong tense
trans  a transitional sentence, clause, expression, or word is needed here
uncl  unclear, confusing, makes no sense, cannot figure out what you are driving at
we  word choice could be better, not the best word here
wm  word or words missing
ww  wrong word
	close up space (symbol used within the line: we(\overline{d})
	insert a space (combined with symbol used within the line: the\underline{time})
	insert missing material (symbol used within a line: th\overline{a}t)
	delete  transpose (symbol used within the line: the\underline{on}table)
	insert period  insert comma  insert semi-colon
	insert colon  insert question mark
\_N_ should be in lower case
\_n_ should be in upper case
SP  circled word is misspelled

begin new paragraph
## Tentative Course Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Due</th>
<th>Readings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1</td>
<td>Introductions, Syllabus, etc.</td>
<td></td>
<td>1</td>
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<tr>
<td>6</td>
<td>PPFs and opportunity costs</td>
<td></td>
<td>2</td>
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<tr>
<td>11</td>
<td>Gains from trade</td>
<td>Mini Writing Assignment</td>
<td>3</td>
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<tr>
<td>13</td>
<td>Supply and demand</td>
<td>HW 1</td>
<td>4</td>
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<tr>
<td>18</td>
<td>Supply and demand (continued)</td>
<td>Last day to meet with Caroline</td>
<td>5</td>
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<tr>
<td>20</td>
<td>Elasticities and applications</td>
<td>HW2</td>
<td>6</td>
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<tr>
<td>25</td>
<td>Measuring welfare and efficiency</td>
<td>Question to me</td>
<td>7</td>
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<tr>
<td>27</td>
<td>International trade, Exam preparation</td>
<td>HW3 (due Friday Sept. 28)</td>
<td>8</td>
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<tr>
<td>Oct. 2</td>
<td><strong>Exam 1 (Chapters 1-7 and 9)</strong></td>
<td></td>
<td>9</td>
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<tr>
<td>4</td>
<td>Library session (Library Room 206)</td>
<td>Refined question to Caroline</td>
<td>10</td>
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<tr>
<td>9</td>
<td>Consumer choice</td>
<td>HW4</td>
<td>11</td>
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<tr>
<td>11</td>
<td>Consumer choice (continued)</td>
<td>Refined question to me</td>
<td>12</td>
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<tr>
<td>16</td>
<td>Firms and the costs of production</td>
<td>HW5</td>
<td>13</td>
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<tr>
<td>18</td>
<td>Perfect competition</td>
<td></td>
<td>14</td>
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<tr>
<td>23</td>
<td>Monopoly, Monopolistic competition</td>
<td></td>
<td>15</td>
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<td>25</td>
<td><strong>Fall Break: No Class</strong></td>
<td></td>
<td>16</td>
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<tr>
<td>30</td>
<td>Oligopoly</td>
<td></td>
<td>17</td>
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<tr>
<td>Nov. 1</td>
<td>Externalities and climate change policy</td>
<td>HW6 (due Wed. Nov. 7)</td>
<td>18</td>
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<td>6</td>
<td>Earnings and discrimination</td>
<td></td>
<td>19</td>
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<td>8</td>
<td><strong>Exam 2</strong></td>
<td></td>
<td>20</td>
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<tr>
<td>13</td>
<td>Income inequality and poverty</td>
<td>Literature review draft to Caroline (due by noon on Monday the 19th)</td>
<td>21</td>
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<tr>
<td>15</td>
<td>GDP, Cost of living</td>
<td>HW7</td>
<td>22</td>
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<tr>
<td>20</td>
<td>Production and growth</td>
<td>Literature review draft to me (due by noon on Friday the 30th)</td>
<td>23</td>
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<tr>
<td>22</td>
<td>Thanksgiving break: No class</td>
<td>HW8</td>
<td>24</td>
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<tr>
<td>27</td>
<td>Savings and investment</td>
<td></td>
<td>25</td>
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<td>29</td>
<td>Unemployment</td>
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<td>26</td>
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<tr>
<td>Dec. 4</td>
<td>Monetary System, Inflation</td>
<td>Final literature review to me (noon on Wednesday)</td>
<td>27</td>
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<tr>
<td>6</td>
<td>Open economy macro</td>
<td>HW9 (noon)</td>
<td>28</td>
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<tr>
<td>11</td>
<td>Aggregate supply and aggregate demand</td>
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Final Exam: Saturday December 15, 10:30 AM – 12:30 PM