

Economics 1
Introduction to Economics
Swarthmore College

Professor Jefferson

Fall 2006

Office Hours: Mon. 2:30pm- 4:00pm& by appt.

Kohlberg 212, x 690-6856

Economics is the study of how people allocate resources among competing uses to maximize their satisfaction. Microeconomics deals with individual decisions and specific markets. Macroeconomics deals with aggregate outcomes and policy choices that affect the sum total of actions in many separate markets. This is a one-semester introduction to Economics. It will cover Microeconomics and Macroeconomics.

Required Text:

Lieberman, Marc and Robert Hall (2005): *Introduction to Economics*, 2nd Edition, South-Western College Publishing, Cincinnati, Ohio. [denoted LH]

Recommended Texts:

Miller, Roger L., Daniel K. Benjamin, and Douglass C. North (2005): *The Economics of Public Issues*, 14th ed., Pearson-Addison Wesley, New York. [denoted MBN]

Strunk Jr., William and E.B. White (2000): *The Elements of Style*, 4th ed., Longman, New York.

Coursework	Due Date	Grading
Midterm Exam	11 October	35%
Essay*	17 November	25%
Final Exam	Set by Registrar	40%
Optional problem sets	Weekly	

Optional problem sets will be checked by the TA. You may work together on the problem sets. The problems will help you to deepen your understanding of the material. I highly recommend that you do as many of them as you can.

*The essay has a limit of 1000 words (doubled spaced, 12 pt font). Points will be deducted from your essay for poor writing *unless* you turn it in with a complete “WAed” draft *signed* by one of this semester’s Writing Associates. *Extensions Policy:* A half grade point penalty will be imposed for each day after the due date. Your essay topic options are:

“Is Cheap Foreign Labor a Hindrance to Mutually Beneficial International Trade?”

“Understanding _____ : An Economic Analysis” (You fill in the blank. See MBN for examples.)

Readings

Microeconomics

Lecture 1	Foundations of Economic Analysis	LH 1-2, MBN 1-3
Lecture 2	Demand, Supply, & Prices	LH 3, MBN 5-10
Lecture 3	Costs & Productivity	LH 5, MBN 22
Lecture 4	Perfect Competition	LH 7, MBN 15
Lecture 5	Market Power	LH 8, MBN 16-19
Lecture 6	Labor Markets & Income Distribution	LH 9, MBN 13
Lecture 7	Market Failure & the Role of Government	LH 10, MBN 24-28

Macroeconomics

Lecture 8	Macroeconomic Goals & Measurement	LH 11-12-13
Lecture 9	Economic Growth	LH 14, MBN 4
Lecture 10	Business Fluctuations & Macroeconomic Policy	LH 15
Lecture 11	International Economics	LH 18, MBN 29-32
Lecture 12	Open	

PROBLEM SETS*

Problem set 1: LH chapter 2- pe 7 and 8

Problem set 2: LH chapter 3- pe 3 and 10, cq 1

Problem set 3: LH chapter 5- pe 1 and 3

Problem set 4: LH chapter 7- pe 5, cq 1

Problem set 5: LH chapter 8- pe 10, cq 1

Problem set 6: LH chapter 9- pe 3, cq 1

Problem set 7: LH chapter 10- pe 4, cq 1

Problem set 8: LH chapter 12- pe 3, cq 1
LH chapter 13- pe 7 and 13

Problem set 9: LH chapter 14- pe 1, cq 1

Problem set 10: LH chapter 15- pe 1

Problem set 11: Class handout

Problem set 12: LH chapter 18- pe 2, cq 1

*The following notation is used to denote the end of chapter question categories in Lieberman and Hall: pe = Problems & Exercises; cq = Challenge Questions