

Introduction to Economics

This is a one-semester introduction to economics. It is intended to provide an overview of economics for the non-major as well as serve as an entry-point for the further study of economics. This course covers both micro and macro-economics as well as selected applied topics.

Texts

The main textbook, common to all sections of Econ 1, is

Lieberman and Hall, Introduction to Economics, 2nd edition (SouthWestern, 2005).

Other books for my section only (for the paper):

Raghuram Rajan and Luigi Zingales, Saving Capitalism From the Capitalists (Crown, 2002).

William Greider, The Soul of Capitalism (Simon and Schuster, 2003)

Current articles from the New York Times, The Economist and other periodicals will be regularly discussed in class. You are encouraged to keep up with current events by reading the business/finance section of a newspaper or magazine regularly either in hard copy or on the Web.

Requirements:

There will a paper (about 10 pages), a mid-term and a final exam. There will be short reports on the Rajan/Zingales and Greider books, culminating in the final paper comparing and contrasting these 2 books. You will work with the writing associates on the paper. Problem sets will also be assigned regularly. You are encouraged to work together on the problem sets. There will also be a teaching assistant who will be available to help you.

Grades will be determined approximately as follows.

	% of Grade
Paper	30
Mid-term (before October break)	20
Final Exam	50

Class participation and problem sets will count in borderline cases.

Reading in Lieberman/Hall

Microeconomics

Week 1	Introduction: Scarcity, Choice and Comparative Advantage	1,2, 4 (pp.100-106), 18 (pp. 563-577)
Week 2-3	Supply and Demand Consumer Choice	3 (incl. Appendix) 4 (pp.116-126), 18 (577-591)
Week 4	Costs and Productivity	5, 6
Week 5	Perfect Competition	7
Week 6	Imperfect Competition	8
Week 7	Labor, Income Distribution	9
Week 8	Economic Efficiency and Market Failure	10

Macroeconomics

Week 9	National Income Accounts	11, 12
Week 10	Long-Run Growth	14
Week 11	Economic Fluctuations	15 (incl. Appendix)
Week 12	Monetary Policy	16
Week 13	Inflation and Unemployment	17, 13 (incl. Appendix)

Paper Assignment

In the last two decades, the world economy in general and the United States in particular have been characterized by increased reliance on the free market--capitalism. These changes have given rise to great controversies. Some see these trends as promoting individual freedom and economic efficiency, while others decry the pernicious effects of excessive marketization on inequality and well-being.

The paper will be based on the 2 books by Rajan and Zingales and Greider on the nature of contemporary capitalism. Your assignment is to summarize and compare the two perspectives, and to formulate your own point of view on the strengths and weaknesses of our economic system.

Directions and Schedule of Assignments

Short reviews (about 3-4 pages or 1200 words) summarizing the main arguments of the books as concisely as possible:

Greider late September

Rajan and Zingales late October

The final version should be about 10 pages (2500-3000 words).

Comparison paper to WAs: late November

Final Version due to me: last day of classes.

The reviews should be summaries of the authors' main themes with selected precise illustrations. It is important to be concise both in the reviews and final paper. State your own views and defend them.

References

Footnotes are not necessary for the 2 books, but you should cite page numbers in parentheses. Other sources if you use them should be footnoted and included in the bibliography.

Do not merely copy long passages from the books. Put in your own words and use brief quotations only rarely. If you do quote use quotation marks and cite page number. Do not copy other students' papers as this constitutes plagiarism.

Grading

You will be graded on the clarity of your analysis and writing, not your point of view. I will only grade the final version, not the book reviews, but I will take into consideration whether they are done and turned in on time.