Economics 1
INTRODUCTION TO ECONOMICS
Swarthmore College
draft syllabus (subject to minor changes)

Prof. Steve O’Connell
Office hours: T 9-1030, F 230-330

Economics 1 is a 1-semester survey of microeconomics and macroeconomics. Required
texts are:

- Hall, R. E. and M. Lieberman (2005), *Introduction to Economics, 2nd edition*
  (USA: Thompson South-Western).
- Rajan, Ramghuram G. and Luigi Zingales (2003), *Saving Capitalism From the

Grading: Midterm #1, 20 percent / Midterm #2, 20 percent / Problem sets, 5 percent /
Term paper, 25 percent / Final exam, 30 percent.

Problem Sets: Weekly problems sets are handed in during the following week’s Monday
class and graded by the TAs on a “check, check plus, check minus” basis. You may miss
two over the semester without any grade penalty.

Term paper: A maximum of 12 double-spaced pages using a normal-sized font. The
topic must be motivated by something you find intriguing enough to follow up in either
the Barnes or Rajan/Zingales book. Your introduction must make clear precisely how
your paper is motivated by claims or arguments of the relevant author(s), and what
conclusions you have reached through your research. You must use at least 2 substantial
references written before 1990 and at least two written after 1990.

Term paper deadlines:
- By FRIDAY Oct 27, email me with term paper proposal (1 para) and 4 good references.
- Absolute due date for term paper: Monday Dec 4, in class.

TAs & Walk-in Clinic: Andrew Brown and Isaac Sorkin are our TAs. They will grade
problem sets and also run a weekly walk-in clinic Sunday evenings 7:30-9:30pm in
K116. Please take advantage of the walk-in clinic for help with any course material
including problem sets, lecture notes, and readings.

Ec 1 Lectures: The department regularly sponsors Ec 1 evening lectures by visiting
economists, at times TBA. You are strongly encouraged to attend.
Ec 1 Weekly topics and assignments

PART 1. SUPPLY, DEMAND, AND TRADE

Week 1 (M Sep 4)  
Chapter 1 What is Economics?  
Chapter 2 Scarcity, choice and economic systems.  
Chapter 3 Supply and demand.  
Chapter 3 Appendix: elasticity of demand.  

Weekly pset  
P&E 3,7,11; CQ 1

Week 2 (M Sep 11)  
Chapter 18 Comparative advantage and international trade  
Read Barnes, Introduction and Chapters 1-4.  

Friday Sept 15 is the end of drop/add period.

PART 2. TOOLS OF MICROECONOMIC ANALYSIS

Week 3 (M Sep 18)  
Chapter 4 Consumer choice.  
Chapter 4 Appendix: Consumer theory with indifference curves  
Read Barnes, Chapters 5-8(end).

Week 4 (M Sep 25)  
Chapter 5 Production and cost  
Chapter 6 How firms make decisions: profit maximization  
FRIDAY Sep 29, in class: MIDTERM #1 covering weeks 1-3.

Week 5 (M Oct 2)  
Chapter 7 Perfect competition  

PART 3. MARKETS AND RESOURCE ALLOCATION

Week 6 (M Oct 9)  
Chapter 8 Monopoly and imperfect competition  
Chapter 8, Appendix on Price Discrimination  
Read Rajan/Zingales: Chapters 4-5.

FALL BREAK: Week of Monday October 16

Week 7 (M Oct 23)  
Chapter 10 Economic efficiency and the role of government  
Read Rajan/Zingales: Chapters 6-8.  

By FRIDAY Oct 27, email me with term paper proposal (1 para) and 4 good references.
Week 8 (M Oct 30)
Chapter 9 Labor markets and wages P&E 1,2,3; CQ 1

FRIDAY Nov 3, in class: MIDTERM #2 covering weeks 4-7.

PART 4. TOOLS OF MACROECONOMIC AND GROWTH ANALYSIS

Week 9 (M Nov 6)
Chapter 11 Introduction to macroeconomics
Chapter 12 Production, income and employment P&E 1,2,3
Read Rajan/Zingales, Chapters 9-11.

Week 10 (M Nov 13)
Chapter 13 The monetary system, prices and inflation P&E 6,9
Chapter 14 Economic growth & rising living standards P&E 1,3,6
Read Rajan/Zingales, Chapters 12-13(end).

PART 5. SHORT-RUN BEHAVIOR OF THE MACROECONOMY

Week 11 (M Nov 20)
Chapter 15 Economic Fluctuations P&E 1,3,5,6,8
Chapter 15 Appendix: The special case of the tax multiplier
No class Friday Nov 24 (Thanksgiving holiday)

Week 12 (M Nov 27)
Chapter 16 The banking system, the Fed & monetary policy P&E 1,3,4,6,8

Week 13 (M Dec 4)
Chapter 17 Aggregate demand and aggregate supply P&E 2,3,5,6,8
TERM PAPERS DUE Monday Dec 4 in class.

Last class meeting (M Dec 18)
Chapter 17, continued. no problem set

FINAL EXAM at scheduled time during finals week, cumulative but emphasizing weeks 8-13.