

Economics 211 - Principles of Economics, Fall 2009
Fall 2009, Illinois Institute of Technology

Instructor: Professor Liad Wagman
Lectures: Tuesdays and Thursdays 8:35 – 9:50AM
Main Campus, 113 Stuart Building

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Office Hrs: Tue & Thu 10:00 – 11:00AM, and by appointment
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Required text: Essentials of Economics, 5th Edition, by N. Gregory Mankiw,
ISBN-10:0324590024 / ISBN-13:978-0324590029
Recommended addition:
Study Guide, ISBN-10:0324591209 / ISBN-13:978-0324591200
(Note: possibly, the two can be obtained as a bundle)

Course Description: This course introduces and develops concepts in three major areas of economic theory: Microeconomics, Macroeconomics, and International Economics. The major topics to be covered include microeconomic concepts such as demand and supply, market structures and pricing, market efficiency, and equilibrium; macroeconomic concepts such as inflation, unemployment, economic growth, and monetary and fiscal policy; and international economics concepts such as trade, development, and globalization.

We will concentrate on the economic analysis of markets and their structures, pricing and output decisions, the causes of unemployment, inflation, and international trade problems. We will also discuss the appropriate use of fiscal and monetary policies, the effects of budget and trade deficits, and the determination of exchange rates. We will emphasize the economic way of thinking in various applications.

Course Objective: To introduce the major topics of economic analysis and the tools used to study them; to prepare students for further study using these tools; and to provide intuition for and understanding of a variety of market conditions and market forces.

Course Method: Each lecture will include a discussion of the current material in the schedule. Often, there will be some outside material distributed so as to elucidate economic concepts and principles. This outside material will form the basis for class discussions and the student is expected to have read and thought about the material as well as the material in the textbook. Class discussions are an important part of the learning process, and students are encouraged to participate. Participation is voluntary, but as explained below, class participation may help raise a student's grade. There will be three exams and several homework assignments.

Grading:

Grades will be based on assignments, 2 midterms, a final, and class participation. Some aspects of the assignments will be graded on a rough scale: if you made a thorough attempt to answer all of the problems, you will get full credit. There will also be group assignments in the form of hybrid case studies. The final exam is cumulative. Weights are given by: each midterm: 20%, final: 40%, assignments: 20%.

Letter grades will be based on a class curve at the end of the course. Should a student's grade be borderline, class participation can be used to raise (but not lower) the student's grade. In other words, class participation can only help raise your grade.

All homework assignments are to be turned in outside office 4C8-2 in TP-C at 3424 S State St, in the box provided, or by email, no longer than 2PM on the day that they are due. All assignments and their due dates will be posted on Blackboard.

The final exam will be given on the date and time scheduled for the course. Dates for the midterms will be announced in class.

There are no make-up exams. However, given extreme and documented circumstances, students will be excused from at most 1 midterm exam, and their grades will be computed based only on the other scores (other midterm, final, assignments, and class participation). All students must take the final exam. Failure to take the final exam will result in failing the class.

Reasonable accommodations will be made for students with documented disabilities. In order to receive accommodations, students must obtain a letter of accommodation from the Center for Disability Resources and make an appointment to speak with me as soon as possible. My office hours along with contact information are provided on the first page of the syllabus. The Center for Disability Resources is located in the Life Sciences Building, Room 218, and can be reached at (312) 567-5744 or disabilities@iit.edu.

Regrades:

The regrade procedure for exams in the course will be announced and posted on Blackboard right after the first midterm is returned. Except for obvious errors (such as summing up points on your exam incorrectly), regrade requests are strongly discouraged.

Tentative Outline

1. An Introduction to Economics and the Economic Way of Thinking.

Chapter 1. Ten Principles of Economics.

Chapter 2. Thinking Like an Economist.

Chapter 3. Interdependence and the Gains from Trade.

2. How Markets Work.

Chapter 4. The Market Forces of Supply and Demand.

Chapter 5. Elasticity and its Applications.

Chapters 6, 7. Supply, Demand, Government Policies, and Efficiency

3. International Trade and Externalities.

Chapters 8, 9. Taxation and International Trade.

Chapter 10. Externalities.

Chapter 11. Public Goods and Common Resources.

4. Macroeconomics.

Chapters 15, 16. Measuring a Nation's Income and the Cost of Living.

Chapter 20. Unemployment.

Chapter 21. The Monetary System.

Chapter 22. Money Growth and Inflation.

Tentative Schedule

August 25	Mankiw	Chapter	1
August 27	Mankiw	Chapter	2
September 1	Mankiw	Chapters	3, 4
September 3	Mankiw	Chapters	4, 5
September 8	Mankiw	Chapter	5
September 10	Mankiw	Chapter	6
September 15	Mankiw	Chapter	7
September 17	Midterm I Review		
September 22	Midterm I		
September 24	Mankiw	Chapter	8
September 29	Mankiw	Chapters	8, 9
October 1	Mankiw	Chapter	9
October 6	Mankiw	Chapter	10
October 8	Mankiw	Chapters	10, 11
October 13	Mankiw	Chapter	11
October 15	Group Assignments		
October 20	Group Assignments		
October 22	Midterm II Review		
October 27	Midterm II		
October 29	Mankiw	Chapter	15
November 3	Mankiw	Chapters	15, 16
November 5	Mankiw	Chapter	16
November 10	Mankiw	Chapter	20
November 12	Mankiw	Chapters	20, 21
November 17	Mankiw	Chapter	21
November 20	Mankiw	Chapters	21, 22
November 23	Mankiw	Chapter	22
December 1	Group Assignments		
December 3	Final Exam Review		
December 8-15	Final Exam, date and time set by registrar		